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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

Vol. 11 No. 60

December 26, 1956

CANADIAN TRADE WITH WESTERN EUROPE

The United Kingdom and continental Europe represent the second largest market for Canadian goods, absorbing more than one-fourth of total Canadian exports. The bulk of this trade consists primarily of basic foodstuffs and industrial raw materials and only about one-tenth is made up of manufactured goods. The composition of Canadian exports to Western Europe reflects the importance for Canada of this area, which is the largest market for many Canadian exports such as wheat, aluminum in primary forms, barley, polystyrene, synthetic resins, etc. As the table shows, an outstanding feature of Canadian exports in recent years is the fact that Canadian sales to Europe have continued to expand rapidly and at a faster rate than Canadian exports to the United States.

The largest increases in Canadian exports to Europe in this period occurred in industrial raw materials and basic foodstuffs and have been largely determined by the expansion in economic activity in the countries concerned. The increase affected mainly about a dozen traditional exports, (wheat, aluminum in primary forms, planks and boards, nickel, copper, chemicals, barley, newsprint, wood pulp and seeds) which alone represented about 60 per cent of total Canadian sales to Western Europe. The United Kingdom is the second largest market for Canadian exports and absorbs substantial quantities of basic commodities which are important to our economy such as wheat, barley, flour, aluminum, copper and other industrial raw materials. Canadian exports to the United

Kingdom, valued at nearly \$800 million in 1955, showed an increase of 60 per cent over a five-year period. Canada's main markets on the continent of Europe are Germany (\$91 million), Belgium-Luxembourg (\$53 million), Netherlands and Norway (\$47 million each), France (\$42 million), Italy (\$27 million), and Switzerland (\$25 million). About one-half of total Canadian shipments to these countries is made up of agricultural products of which wheat, at \$92 million, is the largest single item. The next largest exports are drugs and chemicals (\$26 million), flaxseed, asbestos, and aluminum.

CANADIAN EXPORTS TO THE U.S. AND EUROPE, 1950, 1955

(in millions of dollars)

	1950	1955	Percentage Share in increase from 1950-1955	total Can. exports
United States ...	2,020	2,574	21	60
United Kingdom ..	469	769	60	18
OEEC Continental countries of which Customs Union countries (Germany, Italy, France, Belgium, Luxembourg, Netherlands) ...	201	373	46	9
	117	262	55	6

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BAY ROUTE IMPORTS UP: General cargo imports via the Hudson Bay Route, this year, mainly for Saskatchewan destinations, were up more than 50 per cent from those of 1955, with total imports amounting to 2,314 tons in the 1956 shipping season.

W.J. Hansen, Saskatchewan Trade Services Director, said six main groups of commodities accounted for 78 per cent of the import tonnage: window glass, liquor, pipes and fittings, machinery, chemicals, and telephone materials. Other imports included biscuits, bicycles, bone meal, building materials, castings, chinaware, confectionery, curling stones, footwear, hardware, linoleum, office furniture, textiles, tiles, toys and soap.

"The wide assortment and range of imported merchandise attained in 1956 is favorable to increased tonnage of imports via the Bay Route in the 1957 shipping season," Mr. Hansen said.

* * * *

CANADA-INDIA REACTOR: At a picturesque site looking out over the Arabian Sea, about seven miles from the heart of Bombay, work is going ahead rapidly on the Canada-India Reactor (CIR), an NRX type reactor being built as a joint Indo-Canadian enterprise in which the costs and responsibilities are being shared by the two countries.

The first major atomic project in the field of international assistance to be undertaken by any of the countries most advanced in the development of atomic energy, the CIR reactor was offered to India by Canada under the Colombo Plan in April 1955 and the offer was accepted shortly thereafter.

"This close collaboration in a highly complicated field between the scientists and engineers of two countries, geographically as far removed as Canada and India", said Prime Minister Nehru, "is a symbol of the manner in which the world has shrunk through modern technology, and a token, I hope, of the peace, understanding and co-operation which will one day spread throughout the world."

"Our joint endeavour in this matter is another reminder that the origins of atomic science have been international and its development for peaceful purposes requires the kind of friendly co-operation between nations which so happily exists between India and Canada", said Prime Minister St. Laurent.

Twenty-seven members of India's Department of Atomic Energy arrived at Chalk River in September 1956 to study the NRX reactor for a year in preparation for operation of and for performance of experiments with CIR when it is completed in 1958. Other Indians are expected to visit Chalk River from time to time.

Various modifications are being made to the NRX design, such as a system for passing the ordinary water coolant through a heat exchanger from which heat will be removed by sea water. (The latter cannot be used directly as the coolant because of its corrosiveness and

because the salt and other materials in it would become radioactive if they entered the heart of the reactor). Such design work is being carried out by Shawinigan Engineering Company Limited in Montreal.

The reactor building, which is to be air conditioned, is a hermetically sealed steel shell 120 feet in diameter and 135 feet high. It is surrounded by an annular shaped building containing the control room, auxiliary equipment and offices.

Like NRX, the CIR reactor will provide facilities for fundamental research, the production of radioactive isotopes, and the performance of experiments related to the development of atomic power.

* * * *

ISOTOPES AT WORK: Radioactive isotopes are now widely used in medicine, agriculture and industry. While their applications in medicine cannot be given a monetary value, it is clear that radioactive isotopes have an economic potential of many millions of dollars in agriculture and industry.

Some medical applications are: phosphorus-32 to treat various blood conditions; iodine-131 to diagnose various thyroid states and to treat hyperthyroidism and thyroid cancer; iron-59 to determine the status of the red blood cell formation function of the bone marrow; and cobalt-60 to irradiate tumours.

The efficient use of fertilizers is determined by the use of radioactive isotopes. Crop yields may also be increased through the development of insecticides and fungicides with the aid of isotopes. Other agricultural applications include use of radiation in plant breeding and the irradiation of produce in an effort to develop means of sterilizing or pasteurizing it.

A very wide range of applications of radioactive isotopes in industry is developing rapidly. These include control of the thickness of various sheet materials (paper, plastic, metal) as it is made in high-speed machines; control of ore processing; detection of flaws in welds and castings; induction of chemical reactions by radiation; and the logging of petroleum bore holes.

Radioactive isotopes produced in the reactors at Chalk River are distributed by the Commercial Products Division of Atomic Energy of Canada Limited which is located in Ottawa, Ont. The division carries out various development programmes leading to new uses for isotopes and in its shops manufactures a variety of equipment associated with these uses. Such equipment is supplied to users not only in Canada but also in many parts of the world.

Three types of Atomic Energy of Canada Limited therapy units used in the treatment of cancer, known as the "Eldorado", "Theratron" and "Theratron Junior", have been installed in clinics in Canada, United States, United Kingdom, Italy, Switzerland, France and Brazil. Several other countries have ordered units.

SALES RECORD: Retail chain store sales rose to an all-time peak total of \$2,353,955,000 in 1955, up 9.7 per cent from 1954's previous peak of \$2,146,635,000. Number of chains in operation increased to 496 in the year from 491 and the average number of stores to 8,274 from 8,136. Average sales per store climbed to \$285,000 from \$264,000.

Salaries and wages paid to store employees advanced 10 per cent to \$199,611,000 from \$181,509,000, and accounts outstanding at year-end rose 24 per cent to \$127,362,000 from \$102,747,000. End-of-year stocks, in stores and warehouses, were valued at \$268,953,000, up 8.1 per cent from the preceding year's total of \$248,863,000.

In the major kind of business categories all chains, except tobacco stores and stands, reported increased sales in 1955 over 1954, furniture store sales rising 24.9 per cent, household appliance and radio and music stores 16.5 per cent, women's apparel and accessories stores 12.9 per cent, hardware stores 12.8 per cent, and grocery and combination stores (largest of the chains) 11.5 per cent.

* * * *

LARGE-SCALE PLAN: Details of a nationwide health and welfare plan affecting some 140,000 non-operating railway employees and their families, estimated at 500,000 in all, have been released following approval in principal of the plan by representatives of the Canadian National, Canadian Pacific, Ontario Northland, Algoma Central and Toronto Hamilton and Buffalo Railways. The unions previously had taken similar action.

The plan gives effect to provisions of the master agreement signed by the Railways and 15 non-operating unions last spring and will cost some \$13,500,000 annually shared equally by the railways and contributing employees. Since signing the master agreement six months ago a joint union-management committee has worked continuously to produce a satisfactory scheme.

The joint union-management committee has listed these particulars:

1. The plan starts January 1, 1957, and applies to non-operating employees subject to the master agreement who have completed sixty calendar days of service by that date. Otherwise employees will be covered from the first of the month after completion of sixty calendar days of service.

2. As provided in the master agreement \$4.25 per month will be deducted from the employees' pay. The railways will contribute \$4.25 per month, per employee.

3. The plan provides group life insurance in the amount of \$500 and weekly compensation for loss of income through sickness or non-occupational accident to a maximum of \$40 a week for employees only. These benefits, applicable throughout Canada are to be underwritten by the Sun Life Assurance Company, in association with the Great-West Life, Canada

Life, London Life, Mutual Life and Confederation Life. These companies were successful in competitive bidding.

4. Hospital and surgical benefits are made available to employees and their dependents and are underwritten by Blue Cross and Trans-Canada Medical Plans as a result of competitive bidding. In Saskatchewan, Alberta and British Columbia, where statutory provincial hospital plans operate, employees and their dependents will be provided with comprehensive medical and surgical benefits.

5. Canadian Pacific Employees in British Columbia will continue to have surgical and comprehensive medical benefits provided by the Canadian Pacific Employees Medical Association of British Columbia and premiums covering these benefits will be paid to the Association.

* * * *

MALAYAN SURVEY: More than 35,000 miles of hitherto unexplored jungle in Malaya are being surveyed for mineral deposits in the first major Colombo Plan project undertaken by Canada in that country. The cost of the survey is expected to be about \$400,000 and will be almost equally divided between Canada and Malaya.

Malaya is already a major source of the world's tin and officials hope that this aerial search will lead to the discovery of important new deposits of tin as well as of other minerals, such as tungsten and ilmenite. The survey is being made with an aircraft specially outfitted as a "flying laboratory". The instruments include an airborne magnetometer, which has helped to uncover many large mineral deposits in Canada, and an airborne scintillation counter, which has been widely used in the search for uranium in the Canadian Shield.

During the survey of Malaya large areas in the states of Kedah, Perak and Selangor, Negri Sembilan and Malacca, Johore, Pahang and Trengganu will be explored. The bases for the first phase of the project, covering three western areas, is Kuala Lumpur. After this phase has been completed the Canadian team will move to Singapore which will be the operations base for the survey of three eastern areas.

Much of the area to be explored is remote and inaccessible virgin jungle which could not be surveyed economically by conventional ground reconnaissance. Aerial photos will be used in preparing the survey flight maps and in making the survey the plane will fly at a height of 500 feet above the jungle. Intensive ground studies will then be made of those areas which the aerial survey indicates may contain important mineral deposits.

Technical assistance for Malaya up to now has included both training in Canada for seven trainees, three of whom are in Canada now, and the sending to Malaya of fifteen experts in various fields. Several of these experts are at present in Kuala Lumpur.

ATOMIC POWER

Canada's first atomic power station, known as NPD (Nuclear Power Demonstration), will go into operation in 1959, sending about 20,000 kilowatts of electricity into the power distribution lines of the Hydro-Electric Power Commission of Ontario.

It is being built near the hydro-electric power station at Des Joachims, on the Ottawa River, about 150 miles west northwest of Ottawa--some 20 miles from the Chalk River establishment of Atomic Energy of Canada Limited.

Detailed design of the reactor for the station, which is based on the heavy water technology pioneered at Chalk River, is being done by Canadian General Electric Company Limited, at its plant in Peterborough, Ontario. This company is contributing \$2,000,000 towards its cost and is responsible for the provision, construction, installation and testing of all the equipment in the station. In other words, Canadian General Electric is also acting as the prime contractor for the project.

The Hydro-Electric Power Commission of Ontario is doing the engineering for the conventional part of the station (steam generator, turbine and electricity generator) and is pay-

ing for this equipment. The Commission has provided the station site and will operate the plant as part of its Ontario power system.

Atomic Energy of Canada Limited is supplying the funds and the nuclear information for the reactor. Atomic Energy of Canada Limited made available a number of key personnel with considerable Chalk River experience for the Civilian Atomic Power Department set up by Canadian General Electric at Peterborough.

The NPD station will not produce electricity at a cost as low as that produced by conventional power plants because of its experimental and pioneering nature. It will, however, provide valuable technical data and information on the economics of this type of plant. This information, which will be available to power companies throughout Canada, is needed for the design of and for estimating the costs of larger atomic power plants. A preliminary design and feasibility study for a large power reactor (in the range of 100,000 to 200,000 kilowatts) is being carried out at Chalk River by a Nuclear Power Branch which consists of Atomic Energy of Canada Limited staff and representatives of various power companies across the country.

* * *

PERMANENT THEATRE: His Excellency, the Rt. Hon. Vincent Massey, C.H.; Governor General of Canada, will lay the foundation stone of the Stratford Shakespearean Festival's new permanent theatre on January 26.

The permanent theatre which will replace the former theatre tent for the 1957 drama season, has been under construction since September this year. The canvas walls and roof of the tent are being replaced by a steel and concrete structure built around the existing auditorium and apron stage. A gallery is being added which will increase the seating capacity to over 2,100 and a promenade, offices, dressing rooms and back stage space will also be included.

* * *

ARCHAEOLOGICAL FIND: A nameless Indian farmer in North America tossed away a lima bean pod, a squash and the rind of a gourd. That was 82-centuries ago. He may not have been the world's first farmer, but now he has become the first farmer known to our modern world. He gathered his crops some four thousand years before the Pyramids were built.

An archaeological expedition headed by Dr. Richard S. MacNeish, Chief Archaeologist of the National Museum of Canada, searching for the birthplace of world agriculture, uncovered the finds in a cave in the state of Tamaulipas near Ocampo, in north-eastern Mexico and, thereby, the earliest record of man as a farmer. They also brought home evidence that some

thirty-five hundred years later Indian farmers were increasing the size of their corn by plant cross-breeding (hybridisation) and cultivating cotton. About the year 200 A.D. their descendants--relatively modern farmers--were smoking filter tip cigarettes. Of course, they were growing the tobacco.

The collection of plants and seeds, remarkably preserved and easily identifiable, were sent to the Randall Laboratory of Physics, University of Michigan, where dates were supplied by Professor H.R. Crane. The determinations were sponsored by the Guggenheim Foundation.

Announcing the finds, Resources Minister Jean Lesage termed them "a startling new light on the development of agriculture and of the history of man in North America. They show," Mr. Lesage said, "that the Indian's greatest contribution to his civilization and ours lies in the field of agriculture. These finds indicate that, so far as our present data go, Indian farmers not only contributed the most important food plants--potatoes, corn, beans--but they appear to have been the first to domesticate them. What we may learn from the foods that have been found may help increase the productivity of the world's food supply. The fact that the materials were found in Mexico by a Canadian-led expedition in which United States scientific bodies took part, gives this knowledge continent-wide significance."



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BRIGHT OUTLOOK FOR AGRICULTURE

Prospects for 1957 were studied this month in Ottawa by delegates to the Annual Agricultural Conference who agreed that economic conditions in this country and the rest of the world should be favourable to Canadian agriculture next year.

Reports presented at the meetings indicated that the current high level of economic activity in the industrialized countries of the world seems likely to continue well into 1957. Demand is expected to remain strong throughout most countries of the world, which will keep production and investment at a high level. This should have a supporting influence on the demand for agricultural products. It appears that the decline in agricultural prices of the past few years may have levelled out in the latter months of 1956, and it seems unlikely that there will be any further decline in the general level of farm prices in 1957.

Economic developments in the past year are encouraging to the outlook for trade in agricultural products. There has been a general improvement in the international balance of payments situation and a number of countries have increased their gold and dollar holdings. Another encouraging factor has been the introduction in various countries of more flexible fiscal and monetary policies. Western Europe has introduced some measures helpful to trade with the dollar area. Under the General Agreement on Tariffs and Trade, Canada obtained concessions in the United States tariff on

several agricultural products. In the Commonwealth countries, a number of changes have taken place in import restrictions providing Canada with more favourable trading conditions, particularly in the British West Indies.

ECONOMIC OUTLOOK FOR CANADA, 1957

For the Canadian economy 1956 was another year of substantial growth. The rise in the physical national product was close to the record increase of nine per cent achieved in 1955. The creation of new capital facilities proceeded on a broader scale than ever before and also increased more rapidly than in any previous postwar year. The general attitude of business is one of sustained confidence for 1957.

Generally buoyant activity, more employment, higher wages, large dividend disbursements, and better returns to farmers brought a steady increase in personal income levels. Continuing strength is expected for 1957 in the financial position of the Canadian farmer.

Economic conditions in Canada and the rest of the world in 1957 should be favourable to Canadian agriculture. Farm cash income will probably be maintained at the 1956 level; this will depend not so much on the size of the crop as on exports and the availability of elevator space for grain deliveries approximating those of 1956 from the large stocks presently stored on farms.

Cash income from the sale of livestock is

(Over)

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expected to remain at the 1956 level. The output of eggs may be greater but prices are likely to be lower. Cash income from dairy products is expected to increase. Total farm operating expenses and depreciation charges may not differ very significantly from the 1956 estimates.

FARM LABOUR

Labour requirements in agriculture will continue to exceed the available supply. Labour shortages will continue the year round in dairying and stock farming while in other parts of agriculture additional workers will be needed only during the spring and late summer months. The necessity for organized labour movements within and between provinces will be greater than ever.

GRAINS AND FEEDS

Generally, good crops were harvested throughout Canada in 1956, although excessive rain and early frosts lowered the quality in many areas. In Western Canada the almost unbroken series of bumper yields again has resulted in a shortage of space in country and terminal elevators. Supplies of grain for livestock feeding are considerably larger than expected requirements, but roughages, although adequate for a normal feeding season, are somewhat below the quality of a year earlier.

World production of wheat in the 1956-57 crop year, which preliminary estimates place at 7.5 billion bushels, is a record. Stocks available for export and carryover held by the four major wheat exporters in the fall of 1956, estimated at 2.3 billion bushels, were only slightly higher than a year earlier. Higher levels of economic activity throughout the world, smaller crops in Europe, and continuing efforts of governments in some countries, to improve nutritional standards should have a sustaining effect on export movements.

Total supplies of Canadian wheat for 1956-57 are estimated at 1,075 million bushels, consisting of the July 31, 1956 carryover of 537 million and the new crop of 538 million. Although the average protein content of the new crop is somewhat lower than a year earlier, the quality of the protein is improved.

Total supplies of Canadian feed grains in 1955-56 are up about 17 per cent over last year's level of about 39 per cent above the ten-year average. The increase in this year's supplies results mainly from a larger carry-over and substantially greater outturns of oats and barley. The mixed grains crop is the largest on record and the corn crop, although below last year's, greatly exceeds the ten-year average. Livestock numbers are somewhat below a year earlier and feed requirements may be reduced slightly. The export market is expected to absorb more oats and barley during 1956-57 than last year. However, in view of the substantially greater domestic supplies,

and despite the anticipated increase in exports coupled with continued heavy domestic requirements, it is probable that carryover stocks of oats and barley at July 31, 1957 will exceed the July 31, 1956 level by a fair margin.

Given an average barn-feeding season, generally adequate supplies of fodder and the major feed supplements are indicated for the current crop year. Production of tame hay was slightly below a year earlier, and the quality is somewhat below average. Pastures continued to provide feed for an extended period in Eastern Canada which tends to stretch out the available winter feed supplies. In Western Canada, although supplies are generally adequate, the margin of reserves in relation to cattle numbers is considered to be narrow. Supplies of millfeeds and high protein supplements of both vegetable and animal origin will likely be adequate for requirements.

LIVESTOCK

Total meat production in inspected or approved establishments in Canada in 1956 appears to be approaching the record 1.9 billion pounds set in 1944. In 1957 production will probably differ only slightly from 1956 levels, an anticipated reduction in pork production being probably offset by increased beef production.

A continued strong domestic demand for meat, plus an anticipated firm improved United States market should prevent any significant decline in cattle prices, while all the indicators--consumer demand, export possibilities, and the supply position--point to strong hog and pork prices, both in absolute terms and relative to beef prices. The relative price position will likely cause some switching by consumers from pork to beef, thus causing an additional increase in the already high level of domestic disappearance of beef.

A slight increase is looked for in calf slaughter, while sheep and lamb slaughter will probably remain about the same. No marked change in prices of calves, or of sheep and lambs, is expected.

DAIRY PRODUCTS

Milk production in 1957 is estimated at 17.5 billion pounds, about the same as in the previous two years. The fluid milk market expanded by increased population, will probably absorb any small increase in total milk production and perhaps divert some milk from other products to fluid use.

During 1957 consumption of creamery butter is expected to exceed production with the difference made up out of existing stocks. Cheddar cheese production and consumption are likely to be about the same as in 1956 with slightly less cheese available for export in 1957. Output of evaporated whole milk and dry skimmed milk will probably be approximately in balance with consumption, with any increases

CANADA'S ATOMIC ENERGY PROJECT

Canada's atomic energy project, located on the Ottawa River near the village of Chalk River, about 130 miles from the city of Ottawa, is operated by a government-owned Crown company, Atomic Energy of Canada Limited. The company, which has a nine-man board of directors that includes representatives of private industry, public and private power companies, and the universities, was formed in 1952 to take over the operation of the Chalk River project from the National Research Council. It is engaged in four main activities:

1. development of economic atomic power
2. fundamental research
3. operation of nuclear reactors and production of nuclear fuels (plutonium and uranium-233)
4. production of radioactive isotopes and associated equipment such as Cobalt-60 Beam Therapy Units for cancer treatment.

Atomic energy research in Canada had its origin over 50 years ago when Ernest Rutherford came to this country as Macdonald Professor of Physics at McGill University. While working at McGill in collaboration with F. Soddy, he announced in 1902 the results of his investigation of the nature of radioactivity, which had been discovered in 1896 by Henri Becquerel. Rutherford determined the fundamental laws governing spontaneous disintegration of radioactive materials and went on, both in Canada and in England, to make further discoveries of great importance in the development of atomic energy.

As early as 1940 Dr. G.C. Laurence, now Director, Reactors Research and Development Division, Atomic Energy of Canada Limited, assembled at the National Research Council in Ottawa a bin containing 10 tons of petroleum coke, a form of carbon, in which were embedded uniformly spaced packages of uranium oxide. He sought to determine, by measuring the behaviour of neutrons in this material, whether a great quantity of energy could be released.

Concurrently experiments were carried out in France, the United Kingdom, and the United States. It was soon decided that British, French and other European scientists doing nuclear research should move to North America to work on an atomic weapon. Many of them went to the United States and others came to Canada where a joint Canadian United Kingdom project, administered by The National Research Council of Canada, got under way in Montreal in January 1943. The previous month the Americans, under the direction of Enrico Fermi, brought the first atomic pile into operation. (The term "pile" was used because the graphite moderator and the uranium had been piled up layer upon layer until a chain reaction was achieved. Today, however, the term "reactor" has replaced "pile" in this country.)

While the United States project used the more readily available graphite to moderate its reactors, the project in Canada was assigned the task of trying heavy water as a moderator so that all possible routes leading to the production of plutonium for bombs would be tried. About five miles from the village of Chalk River, which was then little known except by the railway men (the village is a divisional point on a main trans-Canada line of the Canadian Pacific Railway), and the hunters and fishermen who came into this region, work was started in 1944 on a new type of plant known mysteriously as the "Petawawa Works". Few people knew that the plant would use mainly two substances secretly named "X-metal" (uranium) and "polymer" (heavy water). The staff in Montreal moved to the site, which is now generally known simply as Chalk River.

On September 5, 1945 the ZEEP (Zero Energy Experimental Pile) reactor went into operation. It operated a mere 10 watts but it made possible a study of the value of a heavy water-natural uranium system, and has continued to be useful for studies of fuel rod arrangements. Two years later, on July 22, 1947, the NRX reactor (National Research X-metal or X-experimental) went into operation. It was then, and so remained for several years, the most powerful research reactor in the world. Even today, after nine years, the NRX reactor is playing a leading role in three main ways: (1) enabling the determination of fundamental properties of matter, (2) producing radioactive isotopes of high specific activity (which means that a given weight of material gives off a large amount of activity), and (3) making possible important experiments relating to the development of atomic power. Both the United States and the United Kingdom are, like Atomic Energy of Canada Limited, using NRX for atomic power studies. Since its reconstruction following the breakdown of December 12, 1952, this reactor has operated at a power output of 40,000 kilowatts (the "power" in the case of such research reactors is a measure of the rate at which heat is produced).

In 1946 the United Kingdom established its own atomic energy programme and the Atomic Energy Control Act was passed in Canada "to make provision for the control and supervision of the development, application and use of atomic energy".

Under this Act was created the Atomic Energy Control Board which had three main functions: (1) it had the power to conduct research and production operations, either directly or through other agencies reporting to it, (2) it had the power to regulate the production and application of materials relating to atomic energy, particularly fission-

able materials, and (3) it had the power to make and administer security regulations required by the Canadian atomic energy programme. The Chalk River project was operated on behalf of the Atomic Energy Control Board by the National Research Council until 1952 when Atomic Energy of Canada Limited was established.

In 1954 the Atomic Energy Control Act was so amended that Atomic Energy of Canada Limited reports directly to the Cabinet Minister who is Chairman of the Committee of the Privy Council on Scientific and Industrial Research. The Control Board continues to report to the same Minister, and its control and security functions remain unchanged.

The next stage in the Canadian programme, following the creation of a separate United Kingdom programme, consisted mainly of carrying on fundamental research at Chalk River, using the facilities of the two natural uranium-heavy water reactors. The need for a source of higher neutron flux for fundamental research and for engineering studies resulted in a decision in 1951 to build another natural uranium-heavy water reactor known as NRU (National Research Universal). This reactor is expected to have a neutron flux about five times that of the NRX reactor and a power output of 200,000 kilowatts, five times that of NRX. It will produce significant quantities of plutonium and will have advanced research and experimental facilities.

Early in 1954 a power reactor feasibility study was begun at Chalk River in collaboration with the Hydro-Electric Power Commission of Ontario and the following companies: The Montreal Engineering Company Limited, Shawinigan Water and Power Company, British Columbia Electric Company, and Brazilian Traction, Light and Power Company Limited. As a result of this study it was decided to design and construct a small atomic power station, known as NPD--Nuclear Power Demonstration--and at the same time to carry out a preliminary design study for a large power station.

Canada developed a radioactive isotope production programme and pioneered in the use of radioactive cobalt-60 in therapy units for the treatment of cancer. The high flux of NRX enabled Atomic Energy of Canada Limited to produce relatively large quantities of cobalt-60 with a high specific activity. Two types of beam therapy units, the "Theratron" and the "Eldorado", have been placed in 42 hospitals in Canada, the United States, the United Kingdom, France, Italy, Brazil and Switzerland. Many more units have now been ordered by various countries.

Atomic Energy of Canada Limited now has about 2,300 employees. This total does not include employees of the construction and consulting companies working on the NRU reactor. There are more than 100 structures within the 100-acre fenced-in area of the project proper, which lies within a 10,000-acre area controlled by the company.

NEW SEAWAY PROJECT: The Hon. Lionel Chevrier, President of the St. Lawrence Seaway Authority of Canada, and Mr. Lewis G. Castle, Administrator of the Saint Lawrence Seaway Development Corporation of the United States, have announced plans for major dredging and excavation in the channels south and north of Cornwall Island.

The (United States) Saint Lawrence Seaway Development Corporation will undertake the dredging in the south channel between mile 107.5 and mile 110 involving work both upstream and downstream of the existing Roosevelt (International) Bridge. This channel enlargement, which will include dry excavation at Raquette Point on the United States mainland, will provide a seaway channel of 27 ft. depth leading to the Grasse River Lock at the lower end of the Long Sault Canal.

The (Canada) St. Lawrence Seaway Authority will undertake dry excavation on the south part of Cornwall Island in the vicinity of Roosevelt Bridge and dredging in the south channel from below mile 109 to mile 112.5 to complete the 27 ft. seaway channel. The Canadian Authority will also carry out dredging and dry excavation in the north channel to maintain the natural distribution of flow in the channels north and south of Cornwall Island. This provides for the carrying out of the work which has been under discussion for some time between Canada and the United States.

It was also announced that the two toll committees representing Canada and the United States are rapidly approaching agreement on principles pertaining to toll rates.

There is a possibility of the two Seaway entities negotiating for the purchase of the assets of the Cornwall International Bridge Company and thus providing joint control of highway facilities and services between Cornwall, Ontario, and the United States mainland.

* * * *

MINERAL PRODUCTION: Production of 12 of Canada's 16 leading minerals was greater in the January-August period than in the corresponding months of 1955. Output of asbestos, gold, lead and silver was lower, but there were increases in cement, clay products, coal, copper, gypsum, iron ore, lime, natural gas, nickel, petroleum, salt, and zinc.

Comparative totals were: asbestos, 669,634 tons (675,440 tons a year ago); cement, 19,-842,990 barrels (16,969,701); clay products, \$24,922,482 (\$21,802,623); coal, 9,157,656 tons (8,648,011); copper, 234,819 tons (211,-025); gold, 2,939,924 fine ounces (2,985,216); gypsum, 3,376,369 tons (2,709,742); iron ore, 12,947,264 tons (9,203,593); lead, 124,312 tons (139,663); lime, 867,940 tons (860,130); natural gas, 106,797,930,000 cubic feet (90,-887,083,000); nickel, 119,589 tons (117,707); petroleum, 108,864,509 barrels (81,108,857); salt, 937,353 tons (714,392); silver, 17,971,-779 fine ounces (18,437,357); and zinc, 286,-708 tons (281,667).

NATO MINISTERS MEET: Ministerial Meeting of the North Atlantic Council was held in Paris last week.

Canada was represented at the meeting by the Secretary of State for External Affairs, Mr. L.E. Pearson and the Minister of National Defence, Mr. Ralph Campney. They were assisted by the Permanent Representative of Canada to the North Atlantic Council, Mr. L.D. Wilgress, General Charles Foulkes, Chairman, Chiefs of Staff, and Officials of the Permanent Delegation in Paris and of the Departments of External Affairs, National Defence, Finance and Defence Production.

While the Council on the level of permanent representatives in Paris is in continuous session, ministerial meetings are held from time to time as occasion requires and a full-scale meeting of Ministers is held once a year in December. In addition to the subjects which are usually considered at the December ministerial meetings, such as the completion of the 1956 annual review of NATO defence plans and preparations for 1957, the Ministers gave particular consideration to the current developments in the international situation as they affect NATO, and to the report by the Foreign Ministers of Italy, Norway and Canada who were asked last spring by the Council to advise on ways and means to improve and extend NATO co-operation in non-military fields and to develop greater unity within the Atlantic Community.

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COLOMBO PLAN CONTRIBUTION: Subject to Parliamentary approval, a Canadian contribution of an amount of \$34,400,000 will be made in the fiscal year 1957-58 to assist countries in South and South-East Asia participating in the Colombo Plan. A similar amount for assistance to Colombo Plan countries has been made available during the present fiscal year, 1956-57. This will mean that since the beginning of the Colombo Plan in 1950 Canada will have contributed by March 31, 1958, a total of \$198,800,000 to the Colombo Plan.

As in the past, Canada's 1957-58 contribution will continue to assist economic development projects in India, Pakistan and Ceylon. Part of the Canadian contribution will also be devoted to economic development projects in other member countries. In addition to the capital aid provided, a percentage of the money will be devoted to the technical assistance programme.

Canadian assistance under the Colombo Plan has been to a large extent concentrated on power developments, on building up transport and communication systems and on surveys of natural resources.

The Colombo Plan originated at a meeting of Commonwealth Foreign Ministers in January 1950 at Colombo, Ceylon. From the first, however, it was envisaged that countries outside the Commonwealth would participate. Today, membership in the Colombo Plan consists of the Com-

monwealth countries--Australia, Canada, Ceylon, India, New Zealand, Pakistan, the United Kingdom (together with Malaya, British Borneo and Singapore)--and also Burma, Cambodia, Indonesia, Japan, Laos, Nepal, the Philippines, Thailand, the United States and Vietnam.

* * * *

AID TO REFUGEES: The Government has allocated \$250,000 to the United Nations High Commissioner for Refugees and \$250,000 to the Canadian Red Cross Society, for assistance to the victims of the recent tragic events in Hungary. Both sums will be charged against the vote of \$1,000,000 recently approved for this purpose by the special session of Parliament. This allocation of half of the money voted by Parliament is without prejudice to the exact distribution of the remaining \$500,000, on which it is expected that a decision will be taken shortly.

In effect, this increases the amounts at present being made available to the United Nations High Commissioner for Refugees and to the Canadian Red Cross Society to \$250,000 each instead of the amount of \$100,000 each originally announced by the Prime Minister last November 7.

By December 18, approximately 2,400 Hungarian refugees had been welcomed to Canada as immigrants.

* * * *

NEW SERVICE: A new service internationally known as TELEX giving fast continuous written communication between subscribers in Canada and Europe has been inaugurated.

International Teleprinter exchange Service provides instantaneous written communication to desired points. It is operated on the teletype principle. Participating in the new service will be Canadian National and Canadian Pacific Telegraphs, Canadian Overseas Telecommunication Corporation and the Commercial Cable Company.

The subscriber in Canada will be equipped with a teleprinter machine. By dialing an appropriate number, connection can be made with the switchboard of C.O.T.C. or the Commercial Cable Company in Montreal. The international operator in Montreal will connect the subscriber to desired station in the United Kingdom or Europe.

The subscriber may also dial directly to CN or CP Telegraphs for telegram or cablegram service to any point in the world. The same system enables the telegraph companies to deliver written messages directly to the teletype unit in his office.

Canadian stations are located in Toronto, Ottawa, Montreal, Winnipeg and Vancouver, with expansion to other Canadian points to follow.

In addition to present European stations, outlets will be available very shortly to connect Hawaii, the Philippines, Japan and nine Central and South American countries to the International Telex network.

BRIGHT OUTLOOK FOR AGRICULTURE

(Continued from page 2)

reflecting the growth in population and fairly stable per capita consumption.

Ice cream production may reach 34 million gallons, about one million gallons more than the previous record set in 1955.

EGGS AND POULTRY

Eggs--During the remainder of 1956 and the first five months of 1957 swings in the supply and price patterns will be more pronounced and egg prices will, on the average, not be as favourable to producers as during the corresponding period a year earlier. During the summer months of the coming year it is expected that production and prices will be similar to those in the corresponding period of 1956.

Poultry--The poultry meat situation in 1957 will be dominated even more by developments in the chicken broiler and turkey industries than in 1956. Both of these segments of the poultry industry are rapidly developing new and more efficient methods of production and marketing with the result that they are now the two major sources of poultry meat in this country. In view of this situation it is expected that price levels for poultry meat in 1957 will be about the same as in 1956.

FRUITS AND VEGETABLES

The 1956 apple crop of 12.0 million bushels was 37 per cent less than the bumper crop of 1955 and 16 per cent below the 1949-53 average. As a result of the small crop, prices have been, and are expected to continue at higher levels than in 1955. Barring unforeseen developments, the 1957 crop will probably exceed that of 1956.

Larger crops of peaches, pears and cherries are anticipated in 1957 than in 1956. The 1957 crop of strawberries and raspberries is expected to exceed that of 1956 but it will be a few years before the 1949-53 level of production is reached.

The 1956 potato crop of 66.8 million bushels was one per cent larger than that of 1955. Both imports and exports during 1956-57 are not expected to reach the levels of 1955-56. The average price received during the season as a whole is expected to be above that of the 1955-56 crop year.

Consumer demand for fresh vegetables in 1957 is expected to remain strong. Because of the smaller packs of canned vegetables in 1956, the acreage contracted for processing in 1957 is expected to be increased. During 1957 the growth of the frozen fruit and vegetable industry is expected to be maintained.

SEEDS

Production of pedigreed cereals in 1956 was practically the same as in 1955. Because of frost damage and poor harvest weather there

may be some local scarcity of good quality pedigreed seed but the total supplies of most of the popular varieties should be adequate for domestic needs, leaving a surplus of some varieties available for export. The production of Selkirk wheat, Parkland barley and Rodney and Garry oats was greatly increased.

Estimated production of all the principal forage crop seeds in 1956, with the exception of sweet clover and meadow fescue, was less than in 1955. The alfalfa seed crop was much the smallest on record and production of alsike clover, red clover, timothy, bromegrass and crested wheatgrass was considerably below average.

With the exception of alfalfa and red clover seed, supplies of the principal hay and pasture seeds, in spite of smaller production, should be sufficient to meet domestic requirements. As supplies of alfalfa seed will not be sufficient for domestic needs it is expected that substantial quantities of seed of adapted varieties will be imported from the United States to supplement Canadian production. Canadian grown double-cut type red clover seed will also be in short supply, but seed to meet domestic needs is available from the United Kingdom and the United States.

Smaller crops of many forage seeds in Canada, the United States and Western Europe have stimulated prices on world markets and prices to growers in 1956 are considerably higher than a year ago.

There was some increase in estimated production of peas, beans and corn in 1956 compared to 1955, although production of beans and corn was considerably below average. Most of the sugar-beet stocklings in British Columbia were lost through winter killing and practically no crop was harvested. Production of swede and mangel seed was confined entirely to the Maritimes and is the smallest in years. Substantial imports of most vegetables and root seeds will be required to supplement Canadian production; this is, however, a normal situation and it is expected that the necessary supplies will be available as usual from the United States and Europe.

SPECIAL CROPS

Total production of oil seeds in 1956 was sharply higher than output in 1955, but all the increase was in the industrial oil seed class rather than in the edible oil seed group. The domestic and export markets are expected to readily absorb the 1956 production of soybean and sunflower seed at prices near last year's level. Flaxseed is expected to encounter stronger competition in export markets as supplies from other sources will be considerably higher than last year. Prices are likely to be moderately to considerably lower and carryover stocks will probably be substantially higher than a year ago. The export market is again to be the most important outlet for 1956 crop rapeseed marketings, but

whether or not the bulk of the crop will be absorbed appears uncertain.

The 1956 mustard seed crop was more than two and one half times larger than the 1955 crop, but the crop is expected to move rapidly into export markets.

An increase in net imports of grain corn is likely, as the 1956 crop is substantially lower than the 1955 crop. Dry field bean production is practically equal to the 1955 output and may be slightly below domestic requirements. Dry field pea production is one third higher than in 1955 and an export surplus of one quarter million bushels is probable.

Sugar beet production was nine per cent lower than in 1955 and will likely provide about 15 per cent of domestic sugar requirements in 1957.

* * * *

PROPOSES CONFERENCE: A federal-provincial conference to launch a full-scale attack on Canada's educational problems has been proposed by Claude Jodoin, President of the Canadian Labour Congress. Mr. Jodoin believes that education has become one of the most pressing problems facing all levels of government and failure to meet its challenge would affect children for generations to come.

Municipalities should be given special status at such a conference, he suggests. The agenda should make provision for consideration of methods by which available information on future needs could be co-ordinated and, if necessary, new studies launched. The ability of all three forms of government--municipal, provincial and federal--to meet needs should be discussed and high priority should be given to the development of methods of meeting the need for teachers.

Mr. Jodoin states that labour's interest in education has extended over many years. Labour organizations have been active in efforts to get young children out of industry and into schools. The Canadian Labour Congress advocates free compulsory education, with full provincial autonomy, but with national aid for all grades from primary school to university, and a system of national scholarships and bursaries.

"Now that we are enjoying the greatest era of expansion in our country's history we need more doctors, more scientists, more engineers, more social workers, more people trained in the arts. Above all we need teachers so that we can train people in these various fields," Mr. Jodoin states.

Persons graduating from universities are met on the very steps of the university by talent scouts from industry, and the offers they receive far exceed, in both money and opportunity, those offered by the teaching profession, he points out.

"It is regrettable, to say the least, that we give so little tangible regard to the men

and women whom we trust with the training of the country's children", he declares. "The extent of this problem can be measured in very exact terms. We know how many Canadian children will be entering school five or six years from now; and we know that in another 15 years or so a given percentage of them will be seeking entrance to a university."

Mr. Jodoin says there are two basic problems--buildings and facilities; and teachers--and that by far the greatest problem is that of teachers.

* * * *

\$8,000,000 SALES: The gay and green Christmas tree that brightens the hearts and homes of millions of Canadians is the product of a growing industry whose total sales this year will be well over \$8,000,000. The Forestry Branch, Department of Northern Affairs and National Resources, estimates that more than 16,000,000 Christmas trees will be cut this year, more than half of them in the Provinces of Quebec, Nova Scotia, and British Columbia.

Christmas tree production in Canada has increased from an estimated 10,900,000 trees in 1949 to 16,700,000 in 1955. While domestic consumption has stayed fairly steady, increasing by 300,000 trees in the 1949-1955 period, exports have climbed steeply. Sales of Canadian Christmas trees to the United States increased from 7,400,000 in 1949 to 12,800,000 in 1955.

Approximately a third of all Christmas trees sold in the United States come from Canada. The big United States markets for Canadian trees are Boston, Philadelphia, Detroit, Chicago, and New York. Nova Scotia and Quebec together account for 52 per cent of all trees exported, New Brunswick and British Columbia for 38 per cent, and Ontario for nine per cent. Balsam fir, the most popular Christmas tree in eastern Canada, is also the most popular tree for American export. Canadian exports of balsam fir to the United States have increased from 46 per cent of the total in 1949 to 70 per cent in 1954. Douglas fir, which gets the nod from most people in western Canada, accounts for 19 per cent of the export total, Scots pine for six per cent, and spruce for five per cent.

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U.S.: PERSONNEL SOUGHT: In a move aimed at relieving Canada's current shortage of skilled manpower, a Montreal financial firm has set up a fellowship fund to attract professional talent from the United States to Canada.

The firm of Gregory and Company has established the Gregory Fund, administered by McGill University, to attract professionally trained personnel to Canada. Prof. D.L. Thomson, Vice-president of McGill, said the Gregory example, if followed, would stem, and perhaps reverse, the flow of young Canadian professionals to the United States.

CANADIAN ELECTED: K.T. McLeod, Canadian representative to the meeting of the Commission for Maritime Meteorology of the World Meteorological Organization held recently at Hamburg, Germany, has been elected vice-president of the Commission. Mr. McLeod is Superintendent of Public Weather in the Department of Transport's Meteorological Branch, Toronto.

Delegates from 29 countries were present at the sessions which dealt with world-wide reporting systems and procedures in the field of maritime meteorology and Mr. McLeod was chairman of the committee on technical problems.

One of the important items considered was air observations from merchant ships to supplement the work of the ocean weather ships in areas where upper air observations are badly needed. Canada has at present arranged for reports from 45 ships in addition to the weather ships which it operates on the Pacific Coast, and is taking increasing interest in the reporting programme on Arctic sea ice conditions.

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SETTING NEW RECORD: Spearheaded by substantial increases in oil and uranium production, the value of Saskatchewan's mineral output this year is expected to exceed one hundred million dollars. Estimated for 1956 is a total mineral production value of \$111,623,584 --nearly double the actual production value recorded only two years ago.

Actual total production value in that year --1954--was \$65,818,550, while in 1955 the total rose to \$85,342,790.

"The value of uranium production this year is expected to nearly double the 1955 figure," Hon. J.H. Brockelbank, Minister of Mineral Resources, said in announcing his Department's forecast. This, he said, together with a large increase in the value of crude oil production, was mainly responsible for the new record figure.

"We have kept our estimates on the conservative side," Mr. Brockelbank added.

Greatest gain in the past two years was shown in crude oil sales, which jumped from \$8,182,346 in 1954 to \$17,480,043 in 1955, and this year the figure is expected to reach \$28,600,000.

Uranium to the value of \$27,000,000 is expected to be produced during 1956, compared with \$11,058,544 in 1954 and \$14,293,000 in 1955. This increase is accounted for by the Gunnar Mines operation at Beaverlodge and the increase in the Eldorado mill capacity.

Saskatchewan's sales of natural gas in 1954 brought \$310,072, and in 1955 reached a total of \$560,695. This year, it is estimated that eighteen billion cubic feet of gas will be sold for a total of \$1,000,000.

Estimated 1956 value of production in the case of all minerals except cadmium, gold and silver indicated increases from the 1955 figures.

Total value of metallic minerals for 1956, --including cadmium, copper, gold, selenium and tellurium, silver, uranium and zinc--was estimated at \$70,104,103, compared with a total of \$55,810,353 in 1955 and \$46,788,250 in 1954.

Total value of non-metallics, including salt and sodium sulphate, is estimated at \$3,916,084 for 1956, compared with \$3,776,013 in 1955 and \$3,498,594 in 1954.

Estimated 1956 value of fuel production, including coal, natural gas and petroleum, was placed at \$34,078,397, up from the \$22,347,033 in 1955 and \$12,722,282 in 1954.

The fourth group, structural materials--including clay products and raw clay, sand and gravel, and quartz flux--was placed at an estimated 1956 production value of \$3,525,000, compared with \$3,409,391 in 1955 and \$2,809,-424 in 1954.

* * *

FISHWAYS PROJECT STARTED: The International Pacific Salmon Fisheries Commission has started construction of fishways on the Fraser River near Yale, British Columbia, at the site of the obstruction which was discovered in 1955 during the passage of the Early Stuart and Bowron River sockeye runs. Two structures are planned for the west bank of the river at a point three miles upstream from Yale. One will be a formal concrete fishway 88 feet long of the Hell's Gate type and the other will be a baffled shallow cut 80 feet long through a bed rock ledge. The total cost of the fishways is estimated to be \$45,000 and will be shared equally by the Governments of Canada and the United States. Right-of-way and land have been provided by the Canadian Departments of Fisheries and Indian Affairs.

The two points of obstruction, in one of the most rugged sections of the Fraser River canyon, were discovered early in July 1955 at a time when river levels were unusually high due to a delayed run-off in the Fraser River. It was found that the sockeye runs migrating up river at that time were blocked or seriously delayed for an eleven-day period during which river levels ranged between gauge 70 and 74 at Hell's Gate, fifteen miles upstream. Only 2,170 sockeye survived to reach the spawning grounds on the Stuart River system out of an expected escapement of 30,000 to 50,000 fish and the Bowron River escapement was only about one-half the size expected. It is estimated that the 1955 block at Yale will result in a loss of \$400,000 to the industry on that cycle year before the affected runs can be re-established.



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ASPECTS OF CANADA'S EXPANSION

Resource development can be exaggerated as a factor in Canada's economic progress, Louis Rasminsky told delegates to the National Foreign Trade Convention held recently in New York City.

Mr. Rasminsky, Deputy Governor of the Bank of Canada, said that impressive as that development has been, in actual fact aggregate investment in secondary industries, in communications, in distributive and service facilities, in non-residential construction and in housing has been several times as large as investment in the exploitation of primary resources...

Admitting that the recent Canadian expansion is, of course, by no means an isolated case and that one of the most striking economic facts of the past few years in virtually all parts of the world, Mr. Rasminsky said that there were two or three special features in our position.

One is that the Canadian economy has been expanding almost without interruption since the end of the war. At first it seemed to be a question of making up for the depression and the war, during which civilian progress was at a standstill and even maintenance reduced; during the 1950's there has been continuous and, in the last year or two, accelerating new expansion.

Continuing his remarks, Mr. Rasminsky said, in part:

"A second remarkable characteristic of our growth has been its magnitude. In real terms, gross national product is currently running some 40 per cent higher than it was at the end of the 1940's. This in itself, though impressive, does not seem much different from the growth of output in the United States. But the rate of investment in Canada has been considerably higher than it has been in the United States and most other countries. Ever since 1948 the proportion of our gross national product devoted to investment has exceeded 20 per cent; this year it will amount to the very high figure of 25 per cent. These rates are considerably higher than the corresponding figures for the United States. There appears to be this difference between the recent character of investment in Canada and the United States--that in our case a higher proportion of investment has gone into activities that either do not result directly in industrial output, such as pipelines and transportation, or into very long range projects which still are to be reflected in our production statistics such as oil, hydro-electric development, and so forth..."

MARKED INCREASE

"Since the pause of 1954 the increase in output and investment in Canada has been very marked. Gross national product in value terms was 10 per cent higher in 1955 than 1954 and

(Over)

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is currently running at a rate about 10 per cent higher than 1955. The increase in 1955 took up most of the slack which developed during the 1954 pause. The increase this year has absorbed more than the regular annual increase in the labour force resulting from population growth and immigration: good jobs have attracted more people into the labour force who would not be there under less buoyant conditions. The increase in gross national product this year includes a larger element of price increase than previously, and the current account deficit in our international payments has increased very substantially. Both of these developments reflect the growing pressure on our resources...

INDUSTRIAL BOOM

"Since 1950 we have had the equivalent of between 8 or 9 normal wheat crops in seven years, with firm prices and good demand in all but a couple of years. Forest products have been almost continually in good demand--newsprint has been at capacity demand or better since 1947. Since the Korean war there has been an apparently insatiable demand with generally high prices for nickel and aluminum and more recently copper. Nor is this all; when agricultural markets began to sag off a few years ago we began to enjoy the first fruits of some of our long-period resource development. From a few million dollars a year, iron ore exports have grown to over \$100 million. In spite of the exceptional rise in oil consumption in Canada, the prairie discoveries have enabled us to hold fuel imports at a level only a little over 1950 levels, and at the same time provide exports--which were negligible before 1955--at a current rate of over \$100 million per annum. And uranium production is only on the verge of assuming important proportions.

"Our rising current account deficits are therefore wholly due to a greater rise in imports than in exports. Our imports are running 70 per cent higher than in 1950, with practically all the increase due to increased volume rather than price. The basic cause of the rise in imports is the intensity of demand for investment and other purposes. The physical limits of productive capacity are quickly reached in a small and relatively new economy, and when this happens the whole weight of demand is thrown on external sources.

"The principal increases in our imports can be directly traced to the investment boom. A commodity classification of imports by purpose which has recently become available shows that between the first half of 1955 and the first half of 1956, when our total imports went up by almost 30 per cent, imports of investment goods rose by as much as 43 per cent while consumer goods were up only 18 per cent. This distribution of imports is gratifying, of course, because it means that the bulk of the large increase in imports has gone to broaden

the structure of the Canadian economy and provide for increased output in the future.

"I would now like to comment briefly on the other side of the medal, i.e. the financial counterpart to these deficits, our net capital imports.

"In the case of Canada a very large share of the capital inflow takes the form of direct investment. Since 1950 this has amounted to over \$2,300 million or about two thirds of the total net long-term inflow. Direct investment is not a debt settling operation, but a dynamic independent development. The initiative is taken abroad rather than in Canada, and it often carries with it skill, technical know-how, market connection and access to the very large pools of money required to finance major projects under modern conditions. Capital investment of this type frequently takes the form of imports of capital equipment and machinery to be used in a Canadian project. Direct investment should therefore be regarded, in a sense, as a cause of the current account deficit rather than as a means of covering it.

"The other main channel of capital investment in Canada has been the purchase by non-residents of Canadian securities. The largest element in this has been the net sale of new issues by Canadians to investors outside Canada. On balance from 1950 to mid-1956, sales of new issues have exceeded retirements by over \$1,400 million, exclusive of large retirements of Government of Canada issues to which I shall refer in a moment. Most of the new issues sold by Canadians abroad have been provincial and municipal securities, though recently a number of large new corporate issues have also been sold in outside markets.

"Non-residents of Canada have also increased their holdings of common and preferred stocks in Canadian corporations. The very large two-way trade in outstanding Canadian securities has resulted in a net capital inflow between 1950 and mid-1956 of over \$500 million, excluding the trade in Government of Canada securities. An increasing number of Canadian equities have been listed on stock exchanges outside Canada. Growth potential rather than yield appears to have been the important consideration influencing foreign investors in Canadian equities, and this is exemplified by the formation of diversified investment funds incorporated in Canada but designed to give American investors an opportunity to share in capital appreciation.

TWO-WAY STREET

"Although the inward movement of capital has been preponderant, one should not conclude that capital movements between Canada and the rest of the world are a one-way street. For example, Canadians have since the beginning of 1950 repatriated from abroad Government of Canada obligations to the amount of about \$700 million. We have also added to our foreign assets abroad in various ways. Our investment

FIRST CANADIAN-OWNED CARRIER

HMCS Bonaventure, the Royal Canadian Navy's first Canadian-owned aircraft carrier, will commission at Belfast, Northern Ireland, on January 17 of next year.

Her aircraft will be the Banshee jet fighter and the Canadian-built anti-submarine Tracker. Helicopters also will be carried for plane guard duties.

Operation of the Banshee and the Tracker will be assisted by the Bonaventure's up-to-date installations and equipment which include the angled deck, the steam catapult and stabilized deck-landing mirror aids.

The number and type of aircraft operating from the carrier will vary from time to time according to her operational or exercise role.

The Bonaventure is a light fleet class carrier. She has a riveted steel hull and main bulkheads. To reduce topweight, aluminum is being used where practicable in the superstructure and most of her secondary bulkhead will be of marinite panelling.

She has twin-shaft steam turbines and will displace approximately 19,000 tons fully loaded. She is 700 feet long, with a beam of 80 feet, excluding the angled deck.

Her gunnery armament will include the latest anti-aircraft guns and fire control equipment.

Radar equipment is being installed for full coverage of fighting requirements, as well as navigational purposes. A closed television system for inter-ship communication will be tested experimentally on board.

The main electrical power generated in the ship will be direct current up to 3,200 kilowatts, developed by four turbine-driven generators and four diesel-driven generators. There will also be approximately 300 kilowatts of alternating current power catering mainly to the electronics system.

Internal communications (except for the television) will be normal for this class of ship. Fluorescent lighting will be used in many places including the pilots' briefing room.

Flight deck lighting will represent the latest developments for night flying operations.

Canadian standard habitability has been built into the vessel which will carry a complement of nearly 1,200 officers and men, including aircrew and aircraft maintenance personnel. The crew will sleep in bunks and be fed cafeteria-style.

Her Tracker anti-submarine aircraft are the Canadian-produced CS2F1's. The de Havilland Aircraft of Canada Ltd. delivered the first of these this fall. Target figure for the Tracker is 100, and production will continue at the rate of approximately two a month until mid-1960.

Of the 39 Banshee jet fighters on order, one squadron already is in service at HMCS Shearwater, the RCN Air Station near Dartmouth, N.S. Delivery of the balance of these radar-equipped all-weather planes is expected to be completed by mid-1957.

* * * *

RETAIL SALES SOAR: Retail sales in Canada reached an all-time high during 1955 when they were estimated to be valued at \$13,111,895,-000, according to final figures released by the Dominion Bureau of Statistics. This was an increase of 8.7 per cent over the preceding year's sales total of \$12,065,758,000. All provinces except Saskatchewan and all specified kind-of-business groups shared in the sales advance.

Among the provinces British Columbia had the largest proportionate sales increase of 13 per cent. Ontario was next in order with an increase of 10.4 per cent, followed by the Atlantic provinces with 9.9 per cent, Alberta and Quebec with 7.4 per cent each, and Manitoba 5.1 per cent. The decline in Saskatchewan was 1.4 per cent.

Motor vehicle dealers, which accounted for 18 per cent of total sales, registered the largest increase of 16.8 per cent. Garages and filling stations, the furniture and appliance and radio group, and lumber and building material dealers also showed significant increases of 13.5 per cent, 11.3 per cent, and 11 per cent, respectively. Grocery and combination stores and department stores, account-

ing for over 25 per cent of total sales, had increases of 6.6 per cent and 8.4 per cent, respectively.

Sales totals for the top 10 trades in 1955 were as follows, values for 1954 being in brackets: grocery and combination stores, \$2,429,581,000 (\$2,279,402,000 in 1954); motor vehicle dealers, \$2,370,062,000 (\$2,028,751,-000); department stores, \$1,150,546,000 (\$1,-061,676,000); other food and beverages, \$949,-570,000 (\$924,570,000); garages and filling stations, \$717,878,000 (\$632,252,000); furniture, appliance and radio dealers, \$540,546,-000 (\$485,790,000); general stores, \$529,-757,000 (\$514,959,000); restaurants, \$467,-611,000 (\$452,554,000); lumber and building material dealers, \$450,661,000 (\$406,174,000); and drug stores, \$300,341,000 (\$281,810,000).

Provincial sales totals follow: Atlantic Provinces, \$1,127,112,000 (\$1,025,222,000 in 1954); Quebec, \$3,005,671,000 (\$2,797,617,000); Ontario, \$5,115,239,000 (\$4,634,450,000); Manitoba, \$669,254,000 (\$637,044,000); Saskatchewan, \$747,985,000 (\$758,295,000); Alberta, \$1,034,995,000 (\$963,630,000); and British Columbia, including the Yukon and Northwest Territories, \$1,411,640,000 (\$1,249,499,000).

BOOK OF REMEMBRANCE: The Second Book of Remembrance, now nearing completion, is scheduled for public showing in mid-summer 1957. The Book records for posterity the names of Canadian service men and women who died between the start of the Second World War in September 1939 and September 30, 1947 when the conflict officially ended.

The new Book of Remembrance contains 614 pages. Six hundred pages record the names of 44,910 Canadians who died and the remainder comprise title pages. Names are written in alphabetical order by year of death, and appear in two columns with an average of 75 names to a page. The entire work has been executed by expert designers with each page illuminated in rich colours. The pages are approximately 18 by 15 inches in size made of calf skin vellum.

The book will display some 300 coats-of-arms of places with which Canadian troops had association during the course of the Second World War.

Eventually the Second Book of Remembrance will be placed in the new National Memorial Shrine to be erected in Ottawa, but until this is ready the Book will be kept in a suitable provisional repository in the Memorial Chamber in the Peace Tower.

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ANTIBIOTICS FOR FISH: The Food and Drug Division of the Department of National Health and Welfare of Canada has given Canadian fishermen permission to use a derivative of the antibiotic aureomycin to preserve the quality of fish at sea. It is the Canadian Government's first authorization of the use of antibiotics for food preservation, although last year the United States Government approved their use on poultry.

The main research in adapting antibiotics to maintaining the quality of fish was done by Dr. Hugh L.A. Tarr, of the Fisheries Research Board of Canada, who is Acting Director of the Board's Technological Station at Vancouver, B.C. He has found that aureomycin is more effective than any other antibiotic for the purpose, as nearly all spoilage organisms in fish are sensitive to it.

The method used is to add tiny amounts of the drug to the ice in which fish are kept on board the fishing vessel and during shipment inland.

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HOUSE DESIGN AWARDS: Forty regional awards and seven national awards in the form of certificates of merit have been offered by the Canadian Housing Design Council to Canadian builders for excellence in house design.

The aim of these awards is to encourage the improvement of Canadian housing design by focusing public attention on the best houses being built and providing recognition of the builders and designers.

CONFERENCE SCHEDULED: More than fifty senior officers of the three armed services and the Royal Canadian Mounted Police will meet in Toronto December 10 to open a four-day conference on international affairs organized by the Bureau of Current Affairs in co-operation with the Canadian Institute of International Affairs. Sessions of this annual conference are closed and will be held at Hart House, University of Toronto.

Experts on international affairs will address the gathering on subjects of national and international interest and problems that confront the world today. Following each lecture the group will be divided into three round tables for a period of discussion.

On opening day Vice-Admiral Harry G. De-Wolf, Chief of the Naval Staff, will speak on NATO and its naval aspects. Professor Robert Spencer, Department of History, University of Toronto, will deal with Germany, the country and its people, and Willson Woodside of Toronto will discuss the problems of German unification.

During the second day of the conference Professor Maxwell Cohen, McGill University, will lecture on Canadian foreign policy and Canadian-American relations will be discussed by Herbert H. Lank, Montreal, and Professor Emmett O'Grady, University of Ottawa. The following day Brig. C.D. Qilliam, Kingston, will speak on the Middle East, and James S. Duncan, Toronto, on the U.S.S.R.

Subjects for the final day will be Far East and South-East Asia by Paul A. Bridle, Department of External Affairs, Ottawa, and automation, economic and social aspects, by Dr. Eugene Forsey, Canadian Labour Congress, Ottawa.

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WATER TRANSPORT BUSY: Operating revenues of Canadian water transportation companies jumped nearly 18 per cent in 1955 to \$263,339,000 from the preceding year's \$223,583,000, and operating expenses rose almost 13 per cent to \$242,666,000 from \$215,456,000. Net profit was up sharply to \$14,623,000 from \$5,906,000.

Freight revenue rose to \$204,037,000 from \$166,746,000 in 1954, towing services to \$22,361,000 from \$19,575,000, and salvage to \$690,800 from \$546,000. Revenues from charter services fell to \$19,674,000 from \$20,675,000, passenger fares to \$8,429,000 from \$8,893,000, and storage to \$171,600 from \$202,500.

A total of 1,738 Canadian-owned and operated vessels and 508 chartered vessels were in operation during the year. In addition there were 89 Canadian ships which did not operate in 1955. The total of 2,335 operating and non-operating vessels represented a gross investment of \$287,001,000 before depreciation. The number of vessels lost during the year dropped to 6 with a value of \$99,624 from 10 vessels valued at \$849,648 in the preceding year.

• **APPOINTED AMBASSADOR:** Mr. George Ignatieff has been named Canadian Ambassador to Yugoslavia and will take up his post in mid-February, 1957. He will replace Mr. J.S. Macdonald, who recently became the first Canadian Ambassador to Austria when the Canadian Legation in Vienna was raised to the status of an Embassy.

Mr. Ignatieff is a graduate of the University of Toronto. He went to Oxford as a Rhodes Scholar in 1936 and later attended the University of London. He joined the Department of External Affairs in 1940, serving as Third and later Second Secretary in London, before returning to Ottawa in 1944. He was appointed first Secretary at Washington in 1946 and in 1947 and 1948 served as Advisor to the Canadian Permanent Mission to the United Nations in New York. In 1949, Mr. Ignatieff became a Counsellor at the Canadian Embassy at Washington and in 1954 returned for a year to London. He has been in Ottawa since the beginning of 1955.

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CONFERENCE OF UNIVERSITIES: The National Conference of Canadian Universities was founded in 1911 for "the promotion of higher education in all its forms in Canada". There are thirty-six member institutions.

In its early days, the sole function of the Conference was arranging an annual meeting at which papers were delivered and problems of higher education discussed, but during the Second World War the Conference had to assume responsibility of negotiating with the Federal Government on behalf of all its members. The Finance Committee, for example, acted in 1950-51 for all the members in negotiations with the Federal Government of Canada which led to a system of grants by the Government towards the budgets of the universities. As a consequence of these and similar activities, the Conference is now generally recognized as the voice of the universities and colleges.

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REVENUES UP: For the seven months to October 31, 1956, the Government's budgetary revenues were \$2,809.8 million, budgetary expenditures were \$2,468.8 million and the surplus was \$341 million. For the same period a year ago, revenues were \$2,359.7 million, expenditures were \$2,268.2 million and the surplus was \$91.5 million.

Operations of the old age security fund, which are not included in budgetary transactions, resulted in a surplus of \$0.6 million for October 1956 and a cumulative deficit of \$15.2 million for the seven months to October 31, 1956. Last year the cumulative deficit for the same seven months was \$33.2 million. These deficits were covered by temporary loans by the Minister under the terms of the Old Age Security Act.

CANADIAN LEADERSHIP: Canada's stature as one of the world's leading fishing countries together with an intensification in the national fisheries generally are increasing the activities of the Department of Fisheries of Canada, Deputy Minister George R. Clark told representatives of the Department from across Canada at a recent meeting in Ottawa.

Dr. Clark said that Canadian scientists were giving outstanding leadership in research programmes being conducted in both the Atlantic and Pacific Oceans as well as the Great Lakes. He referred particularly to the co-ordinated programme being carried out in the North Pacific by Canada, the United States and Japan. In less than 18 months a research programme had been initiated which covered the whole of the area. He felt that this effort had never before been equalled and many of the problems relative to the resources of the North Pacific were on the road to being solved.

At this very moment, he said, Canada was taking a leading part in deliberations covering a broad range of international activities. Among these were talks now taking place in New York on the Fisheries Articles of the International Law Commission, negotiations concerning the seals of the Pribilofs being held in Washington, and the formulation of measures to bring pink salmon of the Fraser River area under international control.

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OPERATIONAL VISIT: Two of Canada's newest warships, the anti-submarine destroyer escorts St. Laurent and Assiniboine, today ended a five-day operational visit to New York City. It was the first time any ships of the new class had visited the United States port.

Both ships, among the most modern anti-submarine vessels in the world today, had visited ports abroad singly, and the St. Laurent had visited several ports along the eastern United States seaboard, including Washington, D.C. The only time they had visited a United States port in company was in early October, shortly after the Assiniboine commissioned, when they called at Newport, Rhode Island.

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STRATFORD PLANS: The North American premiere of the English Opera Group from Great Britain will be featured at the third annual festival of Music at Stratford, Ontario, next summer. The Music Festival, running in conjunction with the fifth annual season of drama, has been scheduled from July 31 to September 4.

The English Opera Group will be presenting eight performances of Benjamin Britten's adaptation of Henry James' "The Turn of the Screw", with Benjamin Britten conducting and Peter Pears singing the leading role. Recitals will be presented by Mr. Britten and Mr. Pears during the Festival programme.

ASPECTS OF CANADA'S EXPANSION

(Continued from P. 2)

in Canadian controlled companies operating abroad has been increased by over \$300 million (not including retained earnings). We have provided funds to the International Bank for Reconstruction and Development for its lending operations by paying up our entire capital subscription (and becoming the only country other than the United States to do so) and by the Canadian public subscribing to several World Bank bond issues in Canada. We have also added substantially to our official holdings of gold and United States dollar balances. Our investments abroad are small in relation to foreign assets in Canada, but it may come as a surprise to you to learn that even excluding official reserves and bank balances, Canadians are heavier investors abroad on a per capita basis than are Americans.

"The inflow of capital which has been such an important factor in post-war development in Canada has inevitably caused Canadians to think about its long-run consequences, and some of its implications have caused a good deal of soul searching. One very natural concern is whether we have accepted capital from abroad in excess of our capacity to service it. The present burden of foreign debt, as measured by comparing it with gross national product or total exports, is less than it has been at many periods in our history. The increase in foreign debt has been much more than matched by an increase in national assets. Much of the investment has gone into things like petroleum and iron ore which either displace imports or result in exports.

"Another question which is sometimes raised is whether the rate of development--in which foreign capital has played an important role--has been excessive, and whether progress at a somewhat slower pace--and with a greater admixture of local capital--might be preferable. I do not pretend to know the answer to this question. To a considerable extent the rate of progress is determined by the availability of resources, and the terms on which the public authorities or other owners are prepared to see them developed and used.

STEPS TAKEN

"Another related subject of discussion is the extent to which American investment has tended to concentrate in certain resource and industrial sectors to the exclusion of Canadian participation. Since it is mainly direct investments which are referred to there is some fear that the exclusion of Canadian participation may be permanent in character. The increase in the foreign ownership of Canadian business has occurred in spite of a very high rate of Canadian savings and the fact that, unlike previous periods, Canadians no longer now invest to any considerable extent in United States equities. A number of steps have recently been taken which should

have the effect of encouraging greater participation by Canadians in equity investment in Canada. For example, for some years now, Canadians have been permitted to claim as an abatement of their income tax liability an amount equal to 20 per cent of the dividends received from tax-paying Canadian corporations. Also, there has been some discussion as to whether the Canadian institutions which are the chief mobilizers of Canadian savings are playing as large a role as they might in providing equity capital to Canadian business. Finally, steps have been taken to revise certain of our arrangements regarding the taxation of dividends paid abroad in order to remove any possible tax disincentive that American companies owning subsidiaries in Canada might have to offering some of the stock in such subsidiaries for public subscription in Canada.

"I should like to conclude these remarks by referring again to foreign trade. In spite of the great development of our internal market, foreign trade remains of great importance to us. With a total trade turnover exceeding \$10 billion, Canada has become the fourth largest trading country in the world. With a population less than 10 per cent of yours, our imports are over 40 per cent of those of the United States.

AN OPEN ECONOMY

"Our great interest in foreign trade is reflected in our policies. We have done away, as you know, with all exchange controls and import restrictions and maintain a relatively open economy with only a moderate degree of tariff protection. We have pressed other countries to remove the obstacles to trade. We have been encouraged by the progress made in removing quantitative trade restrictions, particularly by certain European countries, during the past few years, though we think that this progress does not altogether keep pace with the improvement which occurred, at any rate until very recently, in the world payments position.

"We are also aware of the forward steps taken by the United States in increasing the opportunities of other countries to compete in this market, though here too the rate of progress has at times been disappointing. Continued leadership on the part of the United States is essential on account of your position in world affairs. Any evidence of back-sliding or of failure on your part to accept the same degree of competition that you urge upon others, is seized upon in foreign countries as a reason for continuing old restrictions on imports or imposing new ones. The American stake in world prosperity, as represented by your trade interests, your extensive investment interests and above all perhaps by your over-all political and security interests, cannot be exaggerated. I have every confidence that, with the help of groups such as this, your policies will further and not frustrate your interests."



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DEBATE ON WORLD CRISIS

A special session of Parliament opened November 26 at Ottawa to enable the Members to consider the Government's request, outlined in the Speech From The Throne, that funds provided for defence expenditures be used to finance Canada's participation in the United Nations Emergency Force for the Middle East and that the provision of relief be authorized for the victims of the recent tragic events in Hungary.

Opening the debate on the Government's position in the light of the events in the two troubled areas, the Hon. W. Earl Rowe, Progressive Conservative Member of Parliament and Acting Leader of the Opposition, laid four charges against the Government in a motion of non-confidence. It had, he said:

"1. followed a course of gratuitous condemnation of the action of the United Kingdom which was designed to prevent a major war in the Suez area;

2. weekly followed the unrealistic policies of the United States of America and thereby encouraged a truculent and defiant attitude on the part of the Egyptian dictator;

3. placed Canada in the humiliating position of accepting dictation from President Nasser as to the composition of Canada's contribution to the United Nations Emergency Force;

4. failed to take swift and adequate action to extend refuge to the patriots of Hungary and other lands under the cruel Russian yoke."

Dealing with Mr. Rowe's first point, Prime Minister St. Laurent said there had been no "gratuitous condemnation of the action of the United Kingdom". He pointed out that Canada had abstained from the first resolution introduced in the emergency session of the General Assembly of the United Nations because it was an insufficient resolution, calling for a cease-fire and nothing more. He said that Canada had expressed regret "that certain members of the United Nations had felt it necessary to take the law into their own hands when the matter was before the Security Council". The Prime Minister added that there was "regret that what took place in the Middle East was used as a screen to obscure the horrible actions, the horrible international crimes, that were being committed in mid-Europe at the same time", and that events in the Middle East made it more difficult to marshal world opinion in unanimous and vigorous condemnation of what was taking place in Hungary at that very minute.

The Prime Minister recalled to the Members that the Israelis, the French, and the British had with other nations signed the charter of the United Nations and thereby undertaken to use peaceful means to settle possible disputes and not to resort to the use of force, and said he had been "scandalized more than once by the attitude of the larger powers, the big

(Over)

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(C.W.B. December 5, 1956) *

powers as we call them, who have all too frequently treated the charter of the United Nations as an instrument with which to regiment smaller nations and as an instrument which did not have to be considered when their so-called vital interests were at stake".

Mr. St. Laurent denied that Canada had "merely followed the unrealistic policies of the United States" and pointed out to the House that on two occasions, for example, resolutions supported by the United States delegation had failed to get Canadian support.

Replying to the charge that Canada had accepted dictation from President Nasser, the Prime Minister said that Canada has had no dealings whatsoever with Colonel Nasser. "Canada has dealt with the United Nations," Mr. St. Laurent stated, "and the United Nations in this instance have been represented by the Secretary-General and by another gentleman who is a very distinguished Canadian in whose patriotism as well as in whose wisdom this Government has practically unlimited confidence. I refer to General (E.L.M.) Burns". The Canadian forces for the Middle East had been decided upon with the advice of General Burns, the Prime Minister said, and, ultimately, of the United Nations on its responsibility to discharge the undertaking it has assumed in the interests of peace in the world.

LETTER TO BULGANIN

In replying to the charge that Canada had failed to take swift humanitarian action in the face of events in Hungary, the Prime Minister revealed that he had written to Mr. Bulganin on November 13 appealing to the Soviet Union to comply with United Nations resolutions on the situation in Hungary and to display moderation towards the unfortunate victims of the events in that country. In his letter, Prime Minister St. Laurent had also asked Mr. Bulganin to use his influence to alleviate the sufferings of the Hungarian people and to permit competent international agencies and organizations to help in the urgent work of distributing food and caring for the sick. Mr. Bulganin's reply was read to the House by the Prime Minister.

Referring to the \$1,000,000 which the Government proposes to expend in relief activities, the Prime Minister said that apart from \$100,000 going to the Red Cross for the use of refugees outside of Hungary and a like amount going to the United Nations High Commissioner for Refugees, the remaining \$800,000 will be "expended either by the Red Cross or by a United Nations agency that will have our full confidence in its desire and its ability to see that the assistance goes to those who have really been the victims of the horrible crimes that have been perpetrated against that nation in the last few weeks, and to no others".

C.C.F. Party leader M.J. Coldwell said that in his opinion the people of Canada expect that Parliament "should give unanimous and

speedy approval to the further supplementary estimates that have been introduced this afternoon, and that this shall be done in order to meet the needs of our armed forces which are proceeding overseas and to meet the dreadful situation from which the refugees from Soviet terror in Hungary have fled". He said the motion of the Acting Leader of the Opposition revealed no policy that would assist Canada or the world in the present crisis or would do anything to further the objectives he believes the majority of the Canadian people have in mind.

The Leader of the Social Credit Party, Mr. Solon E. Low, said that he would not brand Britain and France as aggressors. It would be necessary for him to "measure most carefully the motives of those two countries against the provocations, the long line of provocations, they have suffered". Then, he continued, "I would have to be very careful in my assessment of the situation before I could possibly brand them as aggressors, as many have done".

APPROVES REQUEST

Mr. Low gave the Secretary of State for External Affairs, Mr. L.B. Pearson, credit for having suggested that the United Nations set up a police force for emergency action in the Middle East and, subject to Canada's reserving the right to commit or to withdraw its forces according to its discretion and, provided that Canada did not surrender actual sovereignty of this force to the United Nations, expressed the view that the Government's request for approval of the required expenditure be approved. Mr. Low said, however, that the United Nations should be prepared to allow Britain and France to retain their forces in Egypt until such time as the United Nations police force has been completely established there and put in full possession of the canal zone.

The Social Credit leader also supported the proposed expenditure of \$1,000,000 for Hungarian relief, indicating Canada should be prepared to give a much larger amount when it is required. He said Canada should open its doors wide to the Hungarian people made homeless by events in their country, and cautioned the free nations of the world to "be extremely careful in the future in how they encourage the hope of assistance to the peoples behind the iron curtain, and not offer hope that is premature".

IMMIGRATION OF REFUGEES

Mr. J.W. Pickersgill, Minister of Citizenship and Immigration, then reviewed Canada's actions in the interests of the victims of the Hungarian holocaust. On November 6, he said, he instructed the immigration office in Vienna to give priority to Hungarian refugees who had since November 4 been streaming across the Austrian border, took steps to increase the staff at Vienna, and made arrangements for the granting of assisted passage to Canada to anyone who wanted to come to this country and was

CANADA'S TRADE WITH LATIN AMERICA

(By S G. Tregaskes, Area Trade Officer for Latin America
Foreign Trade, November 24, 1956).

Canada's trade with Latin America this year is showing a heartening increase. In the first six months of 1956 it has risen by \$40 million over the first half of 1955. If this pace is maintained during the rest of the year, total trade with this area will reach a record \$580 million.

Although trade with Latin America accounts for only 5 per cent of our world trade, when the United States and the United Kingdom are excluded this percentage rises to 25. In fact, Latin America ranks as our fourth largest market, following the United States, the United Kingdom, and Europe.

A GROWING MARKET

Latin America currently has about 185 million people and, with its high rate of population growth, it is expected that it will have more than 300 million by 1980. Economic progress throughout the area has been very rapid in the past few decades; it has accelerated since the end of World War II and indications are that it will continue to gain in the years ahead. Obviously, the Latin American market is one that merits close and sustained attention from the Canadian exporter.

EXPORTS AND IMPORTS INCREASE

Canadian exports to Latin America for the first eight months of 1956 increased slightly over the same period of 1955 rising from \$113 million to \$116 million. Exports in 1955, on the other hand, fell to \$170 million from the \$194 million of 1954. This decrease was more than accounted for by a fall in exports to Brazil of \$34 million between 1954 and 1955. Throughout 1955 Brazil was plagued by dollar shortages and the consequent imposition of restrictions of various kinds materially reduced purchases from dollar countries.

To the end of August of this year, Canada's principal markets in Latin America were Mexico, Venezuela, Colombia, Cuba and Brazil, but Peru, Puerto Rico, the Dominican Republic and the Central American countries continued to be important customers for a wide range of Canadian goods.

Principal exports from Canada to Latin America in 1955 were: wheat and flour (\$26 million), newsprint (\$20 million), industrial machinery (\$13 million), non ferrous metals (\$12 million), fish (\$10 million), drugs and chemicals (\$8 million), asbestos (\$7 million), dairy products (\$6 million), wood pulp (\$5 million), agricultural machinery (\$5 million), malt (\$4 million), and seed potatoes (\$3 million). In addition a wide range of manufactured and semi-manufactured goods, raw materials and agricultural products, numbering several

hundred, were exported to the area during 1955.

In contrast to the wide range of products exported to Latin America in 1955, six commodities bought by Canada from Latin America in that year accounted for nearly 90 per cent of Canada's total imports of \$320 million. These were petroleum (\$178 million), coffee (\$50 million), bananas (\$23 million), cotton (\$20 million), sugar (\$7 million), vegetable fibres (\$5 million). Other important imports were cocoa, nuts, fresh fruits and vegetables, and meat products.

Few other types of commodities are available from Latin America in substantial quantities. The list given above emphasizes the fact that, with a few exceptions, Latin America at present is predominantly an agricultural and extractive region; most Latin American countries have "single crop" or "single export commodity" economies.

Imports from Latin America in the first six months of the current year have increased remarkably over the same period of 1955 ... to \$183 million from \$147 million in 1955. Larger imports of cotton from Mexico and petroleum from Venezuela accounted for the bulk of the increase.

TREATY RELATIONS

In July of this year Canada and Honduras signed a trade agreement for the exchange of most-favoured-nation treatment between the two countries. Canada now enjoys most-favoured-nation customs treatment with all countries of Latin America and Canadian products are subject to the same reduced rates of duty and customs charges in most Latin American countries as apply to goods from other countries, such as the United States and the United Kingdom. As the sole exception, the United States enjoys an exclusive tariff preference on a number of goods entering Cuba.

LATIN AMERICAN CONFERENCE

Eleven Canadian Trade Commissioners in ten Latin American countries were recalled to Ottawa in July to attend a conference organized by the Department of Trade and Commerce to discuss ways and means of increasing Canada's exports to the rapidly developing republics of Latin America.

They were joined during the conference by a small group of Canadian businessmen with wide selling experience in that area. These businessmen presented some of the problems with which they are confronted and put forward a number of constructive recommendations for the Department to consider.

Particular attention was devoted to the problem of developing greater interest among Canadian businessmen in the possibilities of the Latin American market.

There was general agreement that exports could be increased by continuous and energetic efforts, despite dollar shortages in some countries and keen and growing competition from other exporting nations.

The visiting Trade Commissioners and businessmen covered a wide range of topics, including the problems involved in selling on credit terms in some countries in Latin America and the encouragement of business and official visits both ways between Canada and Latin America.

FUTURE PROSPECTS

Canadian exports to Latin America have trebled in value in the past ten years and imports from the area have quadrupled. What are the prospects in the immediate future and over the long term for this increase to continue?

The trend of imports from Latin America is likely to be upward both through the next year and in the next decade. The Latin American economy largely complements the Canadian and our own growth will mean that we shall need ever greater amounts of products grown, made or extracted in Latin American countries at competitive world prices.

For the next year or two, Canadian exports to Latin America are not likely to increase substantially, although the trend should be a rising one. Some countries--such as Venezuela, Peru, the Dominican Republic and some Central American republics--will continue to be open markets for Canadian goods. Others which suffer from dollar shortages--such as Brazil, Uruguay, Argentina and Chile--are likely to remain closed to a wide range of our products.

The long-range outlook for Canadian exports to the area is, however, excellent. Most Latin American countries are experiencing dynamic changes in the structure of their economies. New agricultural areas are being exploited; industries are springing up; efforts are being made to diversify the economic base of most countries; production methods are being improved; the physical volume of exports is increasing; real income per capita is advancing, and government-financed public works programmes (either under construction or planned) will help to stimulate a further rise in real income.

Canadian raw materials, capital equipment, and other goods will be required in increasing volume to feed and to expand the agricultural and industrial development of Latin America. We can participate in this growing demand, provided our products can compete in price and quality with those of other countries and our exporters are prepared to go after the business.

ONTARIO OFFICE IN NEW YORK: Explaining why the Province of Ontario has opened an industrial development office in New York City, the Hon. William M. Nickle, Q.C., Ontario Minister of Planning and Development, said that in 1956 an all-time peak will be reached in the number of new manufacturing industries of American origin, establishing in Ontario. It is this interest on the part of American industry which prompted the Ontario Government in 1953 to open an industrial development office in Chicago and now in New York City. He further stated that the influx of American industry into Canada is a continuation of a trend which has been increasing in volume over the past number of years. Manufacturers in the United States have been strongly aware of the way in which the Canadian economy has been continuously expanding and providing new opportunities. In the period from 1946 to 1955 Canada's population increased 27 per cent, that of the United States increased 17 per cent; while our gross national production grew by 130 per cent. American production grew by 85 per cent; Canadian new investment in manufacturing increased by 179 per cent, while that in the United States increased by 81 per cent. Mr. Nickle emphasized this was no small achievement for a nation of some 16 million people.

SUBSTANTIAL CONTRIBUTION

Mr. Nickle said, "American manufacturers have made a substantial contribution to Canadian economic development. With a growing population for whom jobs must be found and a universal desire for an even higher standard of living, Canada is faced with the need to process a greater proportion of her raw materials into manufactured goods bearing the 'Made in Canada' label.

"To help solve this problem Americans have brought to our Province and our country new money for investment in new factories, and new know-how to keep the stream of new products moving from the assembly lines. Americans have invested 1.7 billion dollars in Canadian manufacturing since 1946. American branch plants, added to the flow of rapidly expanding Canadian industry, have made it possible for Canadian manufacturing production to increase by 143 per cent since 1946."

He pointed out that Ontario, which contributes one-half of Canada's employment, payrolls, production and new investment each year, offers more opportunities to manufacturers than ever before in her history. Backed by a high level of immigration and an increasing birth rate, the Province's population has risen to over 5.3 million and should reach 6 million by 1960. This means a larger market and more workers. The St. Lawrence Seaway and Power Project will provide Ontario manufacturers with abundant, low-cost economical transportation and hence greater accessibility to raw resources and markets.

HONoured GUESTS: The Prime Minister of Ceylon, the Hon. S.W.R.D. Bandaranaike, was in Ottawa November 26-27 as the guest of the Government of Canada.

The Prime Minister and his party, including his wife, the Permanent Secretary of the Ministry of External Affairs, Mr. Gunasena de Soyza, and his Private Secretary, Mr. Duncan de Alwis, were guests of His Excellency the Governor General, the Rt. Hon. Vincent Massey, C.H. at Government House.

Mr. Bandaranaike called on the Prime Minister of Canada, the Rt. Hon. Louis S. St. Laurent, and was the guest of the Prime Minister at luncheon in the House of Commons. The Prime Minister of Ceylon also called on the Secretary of State for External Affairs, Mr. L.B. Pearson. While in Ottawa, Mr. Bandaranaike attended the opening of Parliament and the morning session the next day.

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REFUGEE AIRLIFT: The Minister of Citizenship and Immigration, the Hon. J.W. Pickergill has announced that arrangements are being made with Trans-Canada Airlines and Canadian Pacific Airlines to provide additional flights from Europe to transport Hungarian refugees to Canada. The Canadian Pacific Airlines flights will be direct to Vancouver.

The Minister also announced that the application of the Immigration Regulations will not be allowed to interfere with the speedy examination of Hungarian refugees who are coming to Canada and that staff and facilities are being provided in Austria to cope with the increasing number of Hungarians who are interested in coming to Canada.

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ALL-TIME HIGH: During 1955 the mining industry of Ontario produced mineral products whose total value was just under \$600,000,000 the Department of Mines reports. This reflects an increase of nearly \$90,000,000 over the all-time high established in 1954 when, for the first time, the value of mineral production exceeded half a billion dollars.

The final figure for 1955 shows the total production to have been \$592,635,975. This is \$14,694,363 better than the preliminary estimate published in January.

Metallic minerals accounted for \$471,039,-709 of the total. Non-metallics were produced to the value \$14,408,742. Structural materials and clay products altogether accounted for \$93,208,162. Fuels (natural gas and petroleum) made up \$13,979,362.

The nickel copper industry with the platinum metals and other by-products alone accounted for more than two-thirds of the total of metal products. The total of this Sudbury-centred group of metals was \$320,519,659. Gold production was valued at \$87,223,660. The 4,362,191 tons of iron ore produced in the province during 1955 was valued at \$34,340,897.

Uranium figured in Ontario's production for the first time in 1955. Although the total value is just \$487,054, this will be considerably increased in the compilation for 1956, as the Pronto mine will have had a full year's production, and the Algoma Nordic mine will also figure in the total. The 1957 total will almost certainly spiral as a great many other mines now being developed in the Elliot Lake area and in Eastern Ontario come into production.

Salt was the most productive of the non-metallic minerals. With just under a million tons mined, the total value was \$5,845,340. Next among the non-metallics was asbestos. Its production was valued at \$3,317,542.

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CANADIAN AID TO KOREA: Speaking in the Second Committee of the United Nations on the report of the Agent General of the United Nations Korean Reconstruction Agency, Senator David Croll, of Canada, said that this country had contributed to what the Agent General has described as "a more than substantial start on the road to the economic recovery of the Republic of Korea". Senator Croll said Canada believed that the Canadian contribution, which has totalled \$7,750,000, has been effectively used by the Agent General, and said that it must be a source of satisfaction to all contributors to note that UNKRA has provided either materials or technical assistance for projects located at 4,235 sites. This, he said, is a notable record of a widely diversified programme with projects of both immediate and long-term importance.

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ONTARIO SCHOLARSHIPS: An extra \$50,000 is being made available this year by the Ontario Government in bursaries for university and normal school students, Education Minister William J. Dunlop announces. The Province will now provide \$370,000 annually for scholarships to go with \$100,000 coming from the federal government.

Dr. Dunlop also revealed there are 3,442 students enrolled in teachers' colleges in Ontario, 303 more than last year. There are also 61 students preparing as elementary school teachers at the Ontario College of Education in Toronto.

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NEW HIGH COMMISSIONER: The new High Commissioner for the United Kingdom in Canada, Sir Saville Garner, called on the Prime Minister of Canada November 24 to present his Letter of Introduction from the Prime Minister of the United Kingdom. The Chief of Protocol, Mr. E. D'Arcy McGreer, presented Sir Saville to the Rt. Hon. Louis S. St. Laurent. Mr. Neil Pritchard, who has been acting High Commissioner since the departure of Sir Archibald Nye in September, was also present.

DEBATE ON WORLD CRISIS

(Continued from P. 2)

physically in position to come without regard to what means he had.

Mr. Pickersgill reviewed previous statements he had made indicating that any responsible individual or organization in Canada was at liberty to sponsor immigrants from Hungary, including people who were not able to look after themselves or even people in need of medical treatment; that if some of these people needed medical treatment and thus could not by law be admitted to Canada he would use the powers given to him by the Immigration Act and admit them for treatment when arrangements could be made for that treatment; that every application to any immigration office anywhere in Canada by Hungarians or Hungarian-Canadians for specific people was to be received and every possible effort made to locate these people if there was a reasonable prospect of their being among the refugees or if there was any prospect of their getting here in any other way. Every effort is being made to keep the flow of refugees coming, and any red tape involved is being cut, the Minister said.

Mr. Pickersgill said that Canadian Pacific Airlines, Trans-Canada Air Lines and shipping companies are co-operating with the Government to make all possible accommodation to Canada available and that a meeting was being held November 27 between social agencies concerned about immigration and officials of his department to co-ordinate plans for the reception of the refugees, and expressed thanks to the Government of Ontario for its offer to co-operate in the transportation to Canada and reception here of Hungarian refugees.

SAYS DANGERS IGNORED

Last speaker in the opening day debate, Mr. Howard Green, Progressive Conservative, attacked Canada's position in the Middle East crisis. He accused the Government of ignoring the dangerous situation in that area this spring and summer while "President Nasser was openly boasting that he was out to destroy Israel and to drive the United Kingdom and France out of the Middle East. He was fomenting trouble in North Africa for the French. The Canadian Government was not interested at all". Nasser had no right to seize the canal, Mr. Green maintained, and Britain and France moved their troops into the area "to save their whole national existence". Mr. Green charged Canada and the United States with failure to take any stand last summer to try to clear up the situation in the Suez at that time. Continuing his speech when the debate resumed on November 27, Mr. Green attacked the United States' Middle East policy, said Prime Minister St. Laurent had not shown the House that Canada's policy in the Middle East is any different from that of the United States, and

said that the United States would have "far more admiration for Canada if this Government stopped being the United States' chore boy".

The attack on the Government was continued by Donald Fleming, one of the candidates for the leadership of the Progressive Conservative Party, who dealt with the four points iterated by Mr. Rowe in his amendment. Pointing out that the declared purpose of the intervention in the Middle East of the United Kingdom and France was to prevent a major war and to contain the hostilities that then raged between Israel and Egypt, Mr. Fleming said "no one dare question those motives of the governments of Britain and France unless he is prepared to accuse those governments of bad faith". Stating that although the Prime Minister did not come out deliberately and say that he accused them of bad faith, Mr. Fleming said that "he did say that this was aggression on the part of Great Britain and France", and added that it seemed to him that the Prime Minister had not accepted the statement of the declared purpose on the part of the two countries that carried out that intervention. Mr. Fleming recalled that in a press conference October 30 in Ottawa the Secretary of State for External Affairs said that he "regretted" that Britain and France "found it necessary to take this action while the Security Council was discussing the matter". Mr. Fleming said that this language was in itself a strong condemnation of the action taken by the British and French governments.

MUST SHARE RESPONSIBILITY

Mr. Fleming said that countries, including Canada, that had not through the United Nations instituted effective police action before the Middle East crisis reached its present proportions must share the responsibility for the results that exist today. These countries, Mr. Fleming said, should acknowledge that intervention by Britain and France averted the spread of the conflagration; headed off any direct Russian intervention and may well have avoided a third world war; exposed the extent of Russian intervention and penetration in the Middle East, and moved the United Nations Assembly to establish a police force.

Canada, Mr. Fleming said, which should be acting independently in this matter, "has chosen to be too closely associated with the policies of the United States" which are "responsible to a very considerable degree, a regrettable degree, for the trouble that exists in the Middle East today". In addition, Mr. Fleming said the Government had placed Canada in the embarrassing position of accepting dictation from President Nasser, who, he said, had been dictating to the United Nations the "conditions in regard to what nations shall not contribute to the United Nations force, how long that police force shall be permitted to remain, what it shall do while there, what territory it shall occupy and when

"it shall go out" Mr. Fleming also said that Canada's efforts to help the Hungarian patriots were inadequate.

Opening his review of the actions of Canada and the United Nations in relation to the world's two trouble spots, Mr. L.B. Pearson first dealt with the charge that Canada was the chore boy of the United States. "Our record over the last years gives us the right to say we have performed and will perform no such role," Mr. Pearson said, and he added that while it is bad to be a chore boy of the United States, "it is equally bad to be a colonial chore boy running around shouting 'Ready, aye, ready'".

ENDURING PURPOSE EXPOSED

Turning to the events in Hungary, the Secretary of State for External Affairs said the recent actions of the Soviet Union in Hungary throw a lurid light on the protestations that Stalinism is now dead and peaceful co-existence is here. There has never been, Mr. Pearson said, a more significant exposure of the underlying and, he was afraid, enduring purpose and methods of Soviet power. In this situation, Canada can, as she is doing, help the victims of this terror, and can keep, through the United Nations, the spotlight of world public opinion on the savage actions of the Soviet Union. The United Nations must continue to endeavour to bring the United Nations into Hungary in the role of observers and investigators, Mr. Pearson said, but it would be wrong to hold out to the Hungarians promises of liberation by force which at this time it would be impossible to fulfil.

Introducing his remarks on the Middle East, Mr. Pearson first sketched the background of events in that area. He said that Egyptian policy had been unfriendly to the western powers, had been arbitrary in the seizure of the Suez Canal, and had witnessed a gradual increase of Russian influence in Egypt and the Middle East. Then too, he said, it had been obvious that there had been no meeting of minds between Washington and London in these matters, that the fault was by no means entirely on the side of London and France, and that "the vital importance of the Suez to Western Europe is perhaps not appreciated in Washington".

Canada's attitude had been that this question should be brought as quickly as possible to the United Nations and a solution attempted there, that there should be no division of opinion, no division of policy, between Washington and London and Paris on a matter of such vital importance, and that there should be no action taken by anybody which could not be justified under the United Nations charter.

Eventually the matter was taken to the Security Council, Mr. Pearson said, and certain principles for a settlement of the Suez question were agreed upon. One of these principles, which was accepted by Egypt, was that

the canal should be insulated from the policies of any one nation, including Egypt. Through these conversations at the Council and through conversations going on in the Secretary-General's office, there was "some hope that an international solution might be reached which might be satisfactory to all concerned".

At this point, Mr. Pearson said, the Israeli Government moved against Egypt. Admitting, as he was sure all members in the House must admit, the provocations which may have prompted Israel's move, Mr. Pearson said the Government "did at that time, and do now, regret that the attack was made at that time and under those circumstances".

Continuing, Mr. Pearson said:

"Then, as the House knows, the United Kingdom Government and France intervened in the matter on the ground, so they claimed, that it was necessary to keep the fighting away from the Suez Canal and thereby keep the canal open. They wished, so they said, in Paris and London, to keep a shield between the opposing forces....

"...To carry out that purpose, as we know, the French and British Governments sent an ultimatum to Egypt and to Israel, a 12 hour ultimatum, that was accepted by Israel, whose forces at that time had come within ten miles of Suez, but was rejected by Egypt which had been asked to withdraw its forces beyond the Suez Canal; and following that rejection the United Kingdom and French forces intervened, by air and later on the ground."

COMPLETE SURPRISE

Mr. Pearson said that, far from gratuitously condemning the action, the Canadian Government expressed regret at the necessity for the use of force in these circumstances, circumstances that included an element of complete surprise "on our part at the action taken" and the breaking down of consultation between London and Paris on the one hand, and the Commonwealth capitals and Washington on the other.

Canada had, Mr. Pearson continued, immediately begun to pursue a policy, both here by diplomatic talks and diplomatic correspondence, and later at the United Nations, "which would bring us together again inside the Western Alliance and which would bring about peace in the area on terms which everybody could accept". Canada's policy, he said, was to seek through the United Nations a solution which would be satisfactory to all sides.

At the United Nations Canada had been anxious to avoid the creation of a vacuum of chaos in the Middle East after the fighting had stopped; had maintained that the situation leading up to the aggression should be given due consideration and constructive action taken to prevent such a situation recurring again; had wished to prevent any formal condemnation of the United Kingdom and France as

aggressors, and, finally, had resolved to "do what we could to help repair the lines of communication and contact between Washington, London and Paris and restore some form of continuous friendly diplomatic consultation between the Western allies on these matters after its breakdown last October". Mr. Pearson added that Canada had also been anxious to hold the Commonwealth together in this very severe test. "At one stage after the fighting on land began it was on the verge of dissolution, and that is not an exaggerated observation," Mr. Pearson stated.

The Minister then went over the various steps taken by Canada to implement these guiding principles in the various meetings and decisions of the United Nations. Canada, he said, had adopted an objective, Canadian, and independent attitude, supporting views it believed right, and indicating its disapproval of proposals it believed wrong. This attitude, he said, has been appreciated in London. "Far from criticizing us in private or in public in London or in Paris for our gratuitous condemnation of their course we have had many expressions of appreciation for the line we have been trying to follow," Mr. Pearson said.

Referring to the United Nations Emergency Force, the Minister said Canada's contribution to it had been made in consultation with its Commander and with the United Nations and not as a result of dictation by President Nasser. Mr. Pearson, in expressing the hope that the Force would succeed in its task of securing and supervising the cessation of hostilities and of preventing their recurrence, said:

"May this force succeed in its task. If it does, we may have started something of immense value for the future. We may have taken a step to put force behind the collective will of the international community under the law. That is our immediate task, to make this force work, to prevent fighting in the area and to establish conditions there through the operation of this force so that the United Nations itself can work out speedily an enduring and honourable settlement for that area, including relations between Israel and her neighbours and the international supervision and control, if that can be done, of the Suez Canal."

Finally, Mr. Pearson said, Canada has as an objective the restoration of unity among the allies. He stated that the Western coalition, "which is essential for peace in these disturbed times and which requires close consultation and co-operation among its members if it is to succeed, especially among London, Washington and Paris, has been subjected to strains and stresses in recent months". This, he said, has caused all lovers of peace in the free world great anxiety.

Free Passage

Decision of the Government to bring Hungarian refugees to Canada free of charge was announced in the House of Commons November 27 by Mr. Pickersgill, who said that the policy of free passages will also apply to Hungarian refugees who have already arrived in Canada.

In making the announcement, Mr. Pickersgill said:

"It was decided that as almost all of these refugees have nothing they can bring with them except the clothes they are wearing, and as many of them have little or no money, it was not reasonable to expect them to try to establish themselves in this country with a debt over their heads at the very start."

The Minister said that to that date 1,070 Hungarian refugees had received Canadian visas. Two groups of 250 and 450 would arrive by ship on December 8 and December 11 and others would be coming to Canada at about the same time on chartered flights of Canadian airlines.

Mr. Pickersgill also announced that he would be in Vienna by Saturday, November 30 to see that everything was being done that could and should be done to move as quickly as possible to Canada those Hungarian refugees who wished to come to this country.

CONFERENCE ASKED

Mr. John Diefenbaker, External Affairs critic for the Opposition and candidate for leadership of the Progressive Conservative Party, appealed to the Government on November 29 to call an international conference in Quebec City for a discussion of the world crisis. Invitations, he said, should be extended to President Eisenhower, Sir Anthony Eden, Premier Mollet and representatives of "leading members of the Commonwealth". It was imperative, Diefenbaker said, that relations between Britain, the United States and the nations of the free world be reconstructed.

GOVERNMENT UPHELD

Later on November 29 the Progressive Conservative motion of non-confidence was defeated by a vote of 171 to 36. The House then approved without discussion the expenditure of \$1,000,000 for the relief of Hungarian refugees and, finally, the financing of Canada's contribution to the United Nations Emergency Force from appropriations of the Department of National Defence.

Parliament was then adjourned until January 8.



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THE SITUATION IN HUNGARY

The following is the text of a statement by Mr. L.B. Pearson, Secretary of State for External Affairs of Canada, in the General Assembly of the United Nations, Monday, November 19, 1956.

"In the second emergency session of the General Assembly of the United Nations we have already adopted four resolutions on Hungary, and the Secretary-General, although hard-pressed by many other urgent and vitally important duties, has done all in his power to carry out the various responsibilities assigned to him. The resolutions call for investigation of the situation in Hungary; they call on the Soviet Union to withdraw its forces and cease its intervention; and they provide for, we hope, quick and large-scale relief of the immediate suffering of the Hungarian people as a result of the bloody events of recent weeks.

"Following this initial United Nations action, the whole world has waited anxiously for some sign that the Soviet Government and the authorities in Hungary were ready to allow United Nations investigation, and, at the very least, to facilitate the distribution of desperately needed food, medical supplies and clothing. The efforts of the Secretary-General, under our resolution of November 4, to get permission for United Nations observers to visit Hungary have been flatly rejected. The Soviet Government, to which the Secretary-General appealed for assistance in carrying out the task assigned to him, must bear the full and final responsibility for frustrating

this investigation. One can understand, if not excuse their attitude. What can they fear from investigation if the facts are as they state them to be.

"In spite of this rebuff the Secretary-General has appointed three eminent and impartial persons under our resolution of November 4, to investigate and report on the situation in Hungary. We hope that they will undertake at once whatever investigation may be possible.

"Surely those members of the Assembly who may personally have had some difficulty in condemning the Soviet Union and certain Hungarian authorities over what has happened on the ground that authentic information was not available, will welcome and support the steps now recommended to secure that information. What possible objection to this course can be raised except by those who wish to conceal the truth and confuse opinion.

"We therefore once again urge the Soviet Government and the Hungarian authorities to admit United Nations investigators. I might remind the Assembly that this would not be the first occasion on which the United Nations has sent investigators into the territory of a member state in order to try to get at the facts of a situation which had been referred to our organization.

"On December 19, 1946, the Security Council unanimously adopted a resolution setting up a commission of investigation to ascertain the facts relating to a complaint brought to the

(Over)

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United Nations by Greece. This complaint concerned border violations along the frontier between Greece and three of its neighbours. The commission was empowered to conduct its investigations in the territory of Greece and of the three Eastern European countries concerned. It actually held meetings in the territory of these four countries, interviewed witnesses, and, eventually, made its report to the United Nations.

"The point I wish to make in mentioning this situation which came before the United Nations ten years ago, is that the Government of the U.S.S.R. then agreed to the setting up of this commission of investigation and a Soviet member took part in its work. How, then, can the Government of the U.S.S.R. today, reject such a procedure for Hungary?

STUDY IN CONTRASTS

"I would also remind the Soviet Union of the example set by other member states who have recently accepted the intervention of the United Nations in the Middle East. There is, of course, no parallel between the events in Egypt and the situation in Hungary, but it is of the greatest significance that the United Kingdom and France, upon whom the Soviet Union has tried to fasten the label of aggressor, have accepted and co-operated with the intervention by the United Nations in regard to certain action they have taken and which was condemned by this Assembly.

"In the past few weeks we have witnessed in another respect also what 'The Times of India' has called 'a study in contrasts from which everyone...will draw his own conclusions'. This Indian newspaper on November 9 last contrasted what it called 'the uninhibited upsurge of public opinion in the United Kingdom which has no parallel anywhere else at any time' with the total absence in the Soviet Union of any criticism of that government's action in Hungary. 'Does Moscow really suppose', this leading Indian newspaper goes on, 'that confronted by as blatant a violation of the Charter as can be conceived, Asian-African powers are so naive as to accept this fiction of so-called independent Hungary under a government established with the support of Russian bayonets?...Where a people can condemn its government there is every assurance of democracy and decency. The awful silence of Eastern Europe as Hungary is pounded by Soviet guns, is something which Mr. Bulganin cannot explain away in his letters to Mr. Nehru'.

"In the past few weeks here in New York we have also seen the contrast, indeed the contradiction, of a member government of this organization destroying a government with which it had been negotiating even while the means for its destruction were in the process of being prepared and deployed. Having removed this government by force and having set up a more compliant rule in its place, whom the people of Hungary have so obviously refused to

accept, the Soviet Government now dare to tell the United Nations that it must not interfere in the internal affairs of other states. It is indeed, as the representative of China said the other day, 'an upside down world'.

"There is another and very urgent matter which we cannot ignore; relief for the Hungarian people, who after the legendary courage which they have shown now face a winter of terrible hardship. The present Hungarian authorities have sent to the United Nations a grimly eloquent list of supplies they need as a result of the harsh and destructive intervention of Soviet troops and Soviet tanks. Here the response from the authorities in Hungary has been somewhat less disheartening. The Soviet delegation, however, was again completely negative in its response to our appeals for co-operation. It voted against one resolution dealing with relief and abstained on another, two purely humanitarian moves that might have been expected to win active and wholehearted support from any normal person or any civilized state.

"We are happy to note some indications that the Secretary-General or his representatives may possibly be allowed to participate on the spot in Hungary, in the distribution of these medical supplies, food and clothing which are so urgently needed. Surely no consideration of ideological prestige or power politics of any sort will be permitted to interfere with this part of the United Nations response to the situation in Hungary.

FRIGHTFUL DEVICE

"Mr. President, we now have before us a fifth resolution on the situation in Hungary. As we have watched the news from Budapest these last few days, a new and still more horrible development has become apparent. Far from complying with the United Nations resolution, ending their intervention, and permitting impartial investigation, the Soviet authorities have once again resorted to one of the most horrible devices of frightened dictatorial regimes, the mass deportation of persons whose only offence is that they are not regarded as politically reliable. We had heard much of this frightful device during the regime of Marshal Stalin, and many charges made at that time--and rejected by Soviet spokesmen in those days as 'slanderous fabrications'--have since been confirmed by the present Soviet leaders themselves in Moscow. We had hoped that at least this evil aspect of Stalinism would never again be practised by a Soviet Government. But these hopes have been smashed. The reports of deportation of Hungarian men, women and children to the U.S.S.R. may be denied, but the denial is hollow and false. The volume of eye witness accounts already available, the detailed reports, the pathetic evidence of farewell notes dropped from the trains, are all sufficient to show beyond any reasonable doubt that mass inhuman deportations have, in fact, taken place.

"As a result of this further tragic development we are meeting again to make one more attempt, through this General Assembly of the United Nations, to get the Soviet Government to heed the wish of all the world that it stop its torment of Hungary.

"If it does not heed this call, its reactionary colonial purpose will once again be exposed for all the world to see. Although it may succeed for a time in stifling the independence of a small neighbour by the crushing power of tanks and by the mid-night terror of the secret police, even the interests of the Soviet Union itself, to say nothing of its prestige will be defeated. Already we have seen the condemnation by President Tito of Yugoslavia of the Soviet policies which led to the Hungarian tragedy, and the leaders of some of the great countries of Asia have added their voices to the demand that the Hungarian people be allowed to decide their own future and their own form of government without external intervention. How was it described by the Prime Minister of India on November 19? Mr. Nehru said it is a national outrage against the will of the people. We have heard communist talk here of this heroic Hungarian uprising being merely the work of reactionary and fascist gangs; the Moscow description of any move for freedom against its iron control.

"But how was it described, not by a 'capitalist warmonger' or a representative of a 'ruling clique', but by this communist leader of a socialist but a nationalist state, President Tito. He said on Friday last:

'Just see how a bare-handed and poorly armed people resisted terribly when it had one aim--to free itself and be independent. It was no longer even interested in what sort of independence it would achieve--whether the bourgeoisie and a reactionary system would be restored in the country--but only interested in being nationally independent. This took hold of its mind...not only Horthyists, but also workers from factories and mines are fighting here--the entire people are fighting.'

"One disillusioned British communist put it this way in a letter on November 3 to the editor of a well-known British weekly: "The events of the past week are enough to make any honest communist hot with shame and anger." What, then, must the feelings be of any honest and patriotic citizen.

"Mr. President, the Canadian delegation has given strong support to the other United Nations decisions designed to help the Hungarian people, and we shall also wholeheartedly support the present draft resolution dealing with the cruel deportation of men, women and children from their native land. We can pray that by focussing the spotlight of world opinion on this cruel and inhuman operation we may help to bring to an end the martyrdom of a brave people."

NEW TWIST: In one phase of life in Canada's Far North, the wheel has made a full turn. When white men first reached Hudson's Bay, they were eager to obtain Indian snowshoes. Now the Indians are seeking snowshoes from the white men.

The directorate of Interserve Development, concerned with the mobility of troops in the North, has designed a light, strong snowshoe made of magnesium. It is roughly half the weight of the traditional Indian wooden snowshoe, does not warp like wooden ones, is durable and is proof against rot, corrosion and moisture. The strings are of fine steel encased in nylon.

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MARITIME MANUFACTURING: Gross value of factory shipments of the manufacturing industries in the Atlantic Provinces declined slightly in 1954 to \$720,462,000 from \$745,486,000 in 1953, small increases in Newfoundland and Prince Edward Island being outweighed by large decreases in Nova Scotia and New Brunswick. Number of establishments in the four provinces fell to 3,582 from 3,840, employees to 63,384 from 68,895, salary and wage payments to \$159,950,000 from \$165,845,000, and cost of materials to \$382,016,000 from \$406,277,000. Value added by manufacture rose to \$313,323,000 from \$312,198,000.

Nova Scotia was again the leading manufacturing province of the four in 1954 with factory shipments valued at \$300,073,000 versus \$320,012,000 a year earlier. New Brunswick was next with shipments totalling \$287,351,000 versus \$295,750,000, followed by Newfoundland with \$109,568,000 against \$106,525,000, and finally, Prince Edward Island at \$23,470,000 against \$23,199,000.

Nova Scotia is principally known for its coal mines and fisheries but also has extensive forest and agricultural lands and has easy access to Newfoundland's supply of high-grade iron ore. Consequently, the leading industries are fish processing, primary iron and steel, shipbuilding and repairs, pulp and paper, sawmills, railway rolling stock and butter and cheese. Also, important petroleum refineries, cotton yarn and cloth, and coke and gas plants add to the variety of manufacturing in the province.

New Brunswick's forests make pulp and paper and sawmilling the leading industries, but other important industries are based on the fish and agricultural resources. Due to its large forest and fish resources, the foremost industries in Newfoundland are pulp and paper and fish processing which between them account for 69 per cent of the total production in the province. Prince Edward Island's agriculture and fish resources make butter and cheese, slaughtering and meat packing, fish processing, and prepared stock and poultry feeds the leading industries.

THE EMPLOYMENT SITUATION

Employment and unemployment remained virtually unchanged during the month of October, thus leaving the country's work force more fully occupied than in any corresponding period since 1951.

At October 20, 1956, the number of persons with jobs was estimated at 5,674,000, some 2,000 lower than a month earlier, but 197,000 higher than in October 1955. The number of persons without jobs and seeking work and those registered for work at National Employment Service offices remained almost unchanged during the month.

The shift of farm workers into non-farm industries took place as usual during the month. It is estimated that farm employment declined by 47,000 while non-farm employment rose by some 45,000. In the corresponding period last year, farm employment dropped by an estimated 70,000 while non-farm employment rose by some 52,000. The later harvest season this year accounts largely for the smaller decline in farm employment. Rising requirements in non-farm industries came primarily from the logging, manufacturing, trade and service industries.

The prolonged harvest season and high levels of activity in non-farm industries are reflected in local labour market classifications. Only eight of the 109 areas were not either in shortage or balance at the end of October, a situation unparalleled at least since 1951. At November 1, 1956, the area classification was as follows (last year's figures in brackets): in shortage 20 (0); in balance, 81 (87); in moderate surplus, 8 (21); in substantial surplus, 0 (1).

CURRENT STATISTICS

The civilian labour force totalled 5,772,000 in the week ended October 20, 1956, compared with 5,773,000 in the week ended September 22, 1956. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

Of the 5,772,000 in the labour force, 5,195,000 or 90.0 per cent worked full-time (defined as 35 hours or more) in the October survey week, 348,000 or 6.0 per cent worked

less than 35 hours, 131,000 or 2.3 per cent had jobs but did not work during the survey week, and 98,000 or 1.7 per cent did not have jobs and were seeking work. Classed as not in the labour force are such groups as those keeping house, going to school, retired or voluntarily idle, too old or unable to work, and these numbered 4,999,000.

The survey provides additional information about those who worked less than full-time and those who had jobs but were not at work. Of the 348,000 who worked less than 35 hours in the October survey week, 249,000 or 4.3 per cent of the labour force, were regular part-time workers, while the remaining 99,000 or 1.7 per cent of the labour force, included 27,000 who were ill, 23,000 on short-time, 10,000 who were on vacation and 39,000 with other reasons. Of the 131,000 or 2.3 per cent who had jobs but did no work during the survey week, 126,000 usually worked full-time and these included 46,000 on vacation, 57,000 who were ill and 11,000 laid off for the full week.

During the corresponding week in 1955, there were 5,619,000 in the labour force of whom 5,014,000 worked full-time, 332,000 worked less than 35 hours, 131,000 had jobs but did no work during the week, and 142,000 did not have jobs and were seeking work. There were 4,971,000 classed as not in the labour force.

Applications for employment on file at National Employment service offices of the Unemployment Insurance Commission numbered 157,400 on October 18, a reduction of 1,400 from the total on file at September 20, 1956 and 35,300 from the level at October 20, 1955. The decline from the previous month was due to a reduction of 9,100 in the total for the Ontario Region, other Regions registering increases in the following order: Pacific Region 3,000, Prairie Region 2,000, Quebec Region 1,600, and the Atlantic Region 1,100. Compared with the same month one year ago all Regions shared in the overall decline as follows: Ontario 11,500, Quebec 10,800, Prairie Region 7,400, Atlantic Region 4,100 and the Pacific Region 1,500.

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NEW COMMISSIONING: HMCS Saguenay, the fourth of Canada's new anti-submarine destroyer escorts, will be commissioned on Saturday, December 15, at Halifax Shipyards Limited, Halifax, N.S.

The Saguenay will be the third destroyer escort to go into service in the Royal Canadian Navy this year and the first to be commissioned at Halifax Shipyards. The yard has two other destroyer escorts under construction.

On commissioning, the Saguenay will join the Third Canadian Escort Squadron, based at Halifax. The squadron now consists of the first three of the new destroyer escorts--HMC Ships St. Laurent, Assiniboine and Ottawa. The St. Laurent was commissioned in October 1955, and the Assiniboine and Ottawa in August and November of this year, respectively.

Like the rest of her class, the Saguenay is all-Canadian in concept and design and carries the most advanced equipment available for the detection and destruction of submarines.

TO VISIT CANADA: The Prime Minister of India, Mr. Jawaharlal Nehru, has accepted the invitation to visit this country, which was extended to him earlier this year by Prime Minister St. Laurent and will be in Ottawa from the late evening of Friday, December 21 to Sunday, December 23.

His Excellency the Governor General, the Rt.-Hon. Vincent Massey, C.H., has invited the Prime Minister of India to be his guest at Government House. Mr. Nehru's daughter, Mrs. Indira Gandhi, the Secretary-General of the Ministry of External Affairs, Mr. N.R. Pillai, and Mr. M.O. Mathai, Mr. Nehru's personal secretary, also will stay at Government House.

The Governor General will entertain at dinner in the Prime Minister's honour on Saturday, December 22, and on the same day the Prime Minister of Canada will be host at luncheon at 24 Sussex Street. Prior to the departure of Mr. Nehru and his party for London on December 23, the High Commissioner for India, Dr. M.A. Rauf, will hold a reception in Mr. Nehru's honour.

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CD HEALTH CONFERENCE: Forty-five medical and dental practitioners from across Canada conferred at the Canadian Civil Defence College at Arnprior, Ontario from November 19 to 23 to consider the multiple health problems arising from the possibility of atomic attack in event of a national emergency.

The Canadian doctors, who were given an outline of Canada's Civil Defence preparedness by F.F. Worthington, Federal Civil Defence Co-ordinator, were selected by municipal and provincial governments, by industry and by professional organizations across the country. Medical and dental officers from the Armed Forces and other physicians selected by the Federal Government also attended.

Subjects covered during the week's conference included the probable effects of atomic, chemical and biological weapons on the North American continent; contamination by radioactive material; biological warfare defence; psychological and psychiatric problems in catastrophe situations; the supply of medical and technical material in the event of a national emergency; and the roles of medical and dental practitioners, pharmacists, professional nurses and ancillary medical personnel in Civil Defence.

A selected group of speakers gave particular attention to the care and treatment of mass casualties, covering such specialist subjects as thermal injuries in atomic warfare, wounds and fractures, hospital management, public health problems and anaesthesia, and analgesia in mass casualty management. One of the highlights of the course was an actual demonstration of an advanced treatment centre using realistically simulated casualties to add authenticity to the presentation.

CAPITAL INFLOW: Transactions in Canadian securities during the third quarter of 1956 led to a capital inflow of \$245,000,000, bringing the nine-month total to a record \$554,000,000. The quarterly inflows in both the second and third quarters were exceeded only in the third quarter of 1950. The movement included \$69,000,000 from the net sale of Canadian stocks and bonds and \$200,000,000 from the sale to non-residents of new issues less \$24,000,000 of Canadian securities owned by non-residents which were retired.

Net sales to non-residents of outstanding Canadian stocks reached a new high of \$77,-000,000 in the third quarter, rising by \$15,-000,000 over the previous record established in the second quarter. While the balance of \$25,000,000 with the United States was some \$10,000,000 below the second-quarter total, the balance with the United Kingdom more than doubled, reaching an impressive \$34,000,000. Transactions with other overseas countries also led to a sharply increased inflow of \$18,000,000.

Net sales for nine months totalled \$171,-000,000, comprising \$84,000,000 to the United States, \$52,000,000 to the United Kingdom, and \$35,000,000 to other countries. Trading in other outstanding Canadian securities, mainly bonds and debentures, led to net repurchases during the quarter of \$8,000,000, net sales of \$3,000,000 and \$5,000,000 to the United Kingdom and to other overseas countries having partly offset net repurchases of \$16,000,000 from the United States.

The net capital inflow from trade in all outstanding securities during September was \$23,500,000 compared with \$27,700,000 in August and \$9,700,000 in September last year. In the January-September period there was a sales balance of \$199,300,000 as compared with a purchase balance of \$37,100,000 a year earlier.

* * * *

BIG BUSINESS: Visiting big game hunters spend an average of seven days in Alberta at an all-inclusive estimated cost of \$300 weekly, provincial authorities state. Receipts from licence fees last year totalled \$13,750 and about \$45,000 was spent by big game hunters in the province.

Big game hunters invest more money in equipment than their fellow sportsmen. Most spend about \$250 on rifles and accessories, and some invest much more. A few have been known to buy a small truck and even deep freeze units as a direct result of their hunting trips.

It is believed 85,000 tourist and resident hunters took to Alberta's mountains, fields and marshes in the autumn of 1956. Since 1951 there has been a phenomenal 50 per cent increase in the number of game and bird hunting licences issued in the province.

NEW CONSULATE: The Department of External Affairs and the Department of Trade and Commerce have announced the opening of a Canadian Consulate at Hamburg, Federal Republic of Germany, and the appointment of Mr. E.H. Maguire as Consul. A Canadian office was originally opened in Hamburg in 1913, but it was transferred to Berlin in 1937.

The Consulate will have responsibility in the provinces of Hamburg, Bremen, Schleswig-Holstein and Lower Saxony for promoting trade between the two countries and for rendering assistance to Canadian citizens.

* * * *

EXPLAINS NEW MUSEUMS: Speaking November 19 before the Montreal Canadian Club, the Hon. Jean Lesage, Minister of Northern Affairs and Natural Resources, said the role of the new Canadian Museum of Human History will be to preserve the record of man from his earliest appearance in Canada to the full development of the nation. The new Museum will include the Sections of Archaeology and Ethnology of the present National Museum of Canada, which early next year, will become the Canadian Museum of History.

Some time ago the Royal Commission on Arts, Letters and Sciences (known as the "Massey Commission") advised that an adequate system of national museums could make "a striking contribution to the development of our national life" Mr. Lesage said. Since about 1842, the National Museum has been the depository of specimens of the rich mineral wealth and palaeontology of Canada. It had acquired also large collections of specimens of the flora and fauna of Canada. Primarily concerned with natural history, the National Museum of Canada has nevertheless rich collections of Iroquois, Eskimo and West Coast ethnology, and archaeology. It has also important accessions of anthropological and folklore material illustrating the cultural contributions of varied regions and groups of Canadians.

The Massey Commission recommended that more space be given to the National Museum, that its functions and name should be changed and that it should devote itself exclusively to natural sciences—research and exposition of the make-up of Canada in its manifestations of geology, zoology and botany. It also recommended that another Museum should be established to promote further still the studies of man in the Canadian environment.

By concentrating on the field of natural sciences, the new Canadian Museum of Natural History will be able to make greater contribution to a better appreciation throughout Canada of those basic natural resources which support the Canadian people, the Minister stated.

The Canadian Museum of Human History will now concentrate on man's evolution and adaptation to the Canadian scene. It will serve as a centre of study and exposition of the various

transitions of man in Canada from prehistoric times until today. Through exhibits in Ottawa headquarters and by travelling exhibits throughout Canada, Canadians will be able to obtain a more complete understanding of the way of life of their predecessors and contemporaries in all parts of the nation.

* * * *

FRENCH SCHOLARSHIPS: Forty-five scholarships, short-term bursaries and assistantships have been provided this year by the French Government to Canadians. This is the 12th year in which French Government scholarships have been awarded to Canadians and brings the total number of awards distributed since 1945 to approximately 800.

Instead of direct award of scholarships, these have been given to the interested Canadian institutions: universities, conservatories, art schools, the National Research Council, the National Film Board and others. In turn, these institutions in consultation with the cultural services of the French Embassy in Ottawa, have selected the winning candidates. The French Government initiated its Canadian scholarship plan in 1945 with the provision of scholarships for Canadian soldiers, who were then in France, in recognition of the Canadian contribution to the liberation of that country.

This year 25 scholarships have been awarded, as well as 11 short-term bursaries and nine assistantships. The bursaries are for the first semester only, and another eight or 10 will be announced later on for the second semester.

* * * *

SUPPLY OPERATION: A round-the-clock supply operation for the past five months for the Mid-Canada Line of radar defence in the Hudson and James Bay areas has been completed.

Over 40 landing craft, specially organized into a fleet for the purpose, were used to transport approximately 35,000 tons of supplies in a ship-to-shore operation. Standard docking and unloading facilities were either totally lacking or severely limited.

The overall success of the entire undertaking is indicated by the fact that freight loss was limited to ten tons when two small barges capsized in rough seas. All crew hands were rescued.

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NATO SHIPMENTS: Canadian military equipment and supplies will be shipped to six NATO countries in the next two weeks under Canada's programme of mutual aid to member nations of the North Atlantic Treaty Organization.

The shipments include searchlights and Otter reconnaissance vehicles for the Netherlands Army; 155-mm howitzers for the French Army; 40-mm anti-aircraft guns for Greece and Denmark and a number of military trucks for the Turkish Army.



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PLANS FOR CANADA COUNCIL

Prime Minister L.S. St. Laurent made three important announcements in the spheres of education and culture in an address November 13 at Ottawa to the National Conference on Higher Education.

These were:

(1) The Cabinet is prepared to recommend to Parliament that annual federal grants to universities, now provided on the basis of 50 cents per capita per province, be doubled, and that the money be given to the National Conference of Canadian universities for allocation.

(2) In order that the scope and functions of the National Museum may be broadened, two museums will be created in the near future--the "Canadian Museum of Natural History" and the "Canadian Museum of Human History".

(3) Cabinet will recommend to Parliament the creation of the Canada Council for the Arts, Humanities and Social Sciences to foster Canadian development in the cultural field.

Pertinent excerpts from the Prime Minister's address follow:

"You will probably recall that the Massey Commission had recommended that the several existing functions of the National Museum be separated and expanded, and that an historical museum be established.

"The government examined this matter and concluded that the scope and functions of the National Museum should be broadened in order to strengthen our national life. As a result, two Museums will be created in the near future.

One will be called the "Canadian Museum of Natural History". It will take over and expand research into the natural sciences and the natural science exhibitions of the existing Museum. The second one--to be called in English the "Canadian Museum of Human History" and in French, "Le Musée de l'Homme du Canada"--will portray the development, history and activities of man in the Canadian environment. This Museum will also embrace the National War Museum. Both new Museums will have a challenging role; it will be to portray the natural and human resources of the whole Canadian nation as it develops and moves forward. The public will be able to see these portrayals in central museums and by exhibits travelling across the country; in this way our people may get a better understanding of the factors which affect materially and spiritually the development of every sector of the nation.

"The Royal Commission also recommended that annual grants be offered to support the work of the universities on the basis of the population of each of the provinces and, within each province, to each university in proportion to the student enrolment. These grants were provided by Parliament in 1951 and each year since on the basis of 50 cents per capita.

"I have already explained why the Federal Government had the right to offer such assistance. I feel that it is not only its right but its duty to do so. It is now widely known that

(Over)

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(C.W.B. November 21, 1956)

all Canadian universities are going through financial difficulties which prevent their adequate development. They need new accommodation and new facilities very badly, and university teachers are not adequately paid for their most valuable services. Moreover, our universities can rightly claim that they render essential services to the nation as a whole and to the Canadian Government in particular. As the Massey Commission pointed out, the universities are now the recruiting grounds for a great number of positions in the federal civil service and in the commissioned ranks of the armed forces.

UNDESIRABLE ALTERNATIVE

"Rather than providing financial assistance to universities, the Federal Government could, as some people might suggest, set up its own colleges to train future public servants. Some other countries have done so, and we in Canada already have service colleges which provide personnel for the commissioned ranks of the armed forces.

"The setting up of colleges would undoubtedly cost the government, and therefore the Canadian taxpayers more money than would the provision of reasonable assistance to universities for their services. Moreover, that course would be undesirable for another more serious reason. If we want to preserve our democratic way of life, and if we want to prevent the public service from becoming a bureaucracy, it is essential that the public servant should be drawn from and well integrated into the community in order that he may understand and appreciate its human problem in the light of his own experience. He should really feel that he is the same kind of a Canadian as those whose community affairs he is helping to manage. He would not be well fitted for that role if he were to be isolated from the community and from the other students of his generation during the period of his training.

"I have visited some countries where the personnel of the government and of the civil service constitute a class regarded as somewhat above the hoi polloi of the general public. I think our brand of democratic institutions is better suited to our way of living and I hope that brand will long continue to be preferred to any ivory tower set up.

"And I wish to add that I have no intention of posing as a benefactor of our universities and other cultural organizations. I happen to be the head of a government that does not manufacture the money it spends. It digs down in the pockets of all the Canadian taxpayers to get it, and we of the government are merely trustees on behalf of all those Canadian taxpayers. The proposals I am putting forward, I look upon as a good sound investment of the taxpayers' money and so do my colleagues.

"My colleagues and I feel that the annual federal grants to universities should be con-

tinued and increased and we are prepared to recommend to Parliament at the next regular session that they be doubled.

"As you know, according to the present formula, these grants are distributed by the Federal Government directly to individual universities recognized as such by the Provincial governments. In the province of Quebec, the authorities saw fit to allow this aid to be accepted for the first year only, because they feared that this was a first step towards encroachment on the exclusive jurisdiction of provincial legislatures in the field of education. It was also feared in certain circles that the Federal Government might interfere with the freedom of universities. That was certainly not our intention nor the intention of Parliament nor do I think it could happen.

PROPOSED SYSTEM

"In order to dissipate these fears and to make it abundantly clear that we do not intend to tamper with the freedom of any individual institution, we are proposing to hand over the monies voted by Parliament each year for that purpose to the National Conference of Canadian Universities which would divide it up and distribute it. In this way, the Federal Government would have no contact with any individual institution. We think that this system will prove a sufficient guarantee for all our universities which should be completely free from any kind of interference. If the N.C.C.U. decides to assume this new responsibility, we will ask for authority to enter into an agreement with the Conference in order to carry out this arrangement.

"We propose to hand over the money to the N.C.C.U. to be allocated as if all eligible institutions were to accept their share of the total amount. If any one of them should feel that it cannot accept this assistance for the time being, we would propose to provide in our agreement with the N.C.C.U. that the money allocated to that institution be held in trust for it until it sees fit to ask for it. In this way, no institution would be penalized in the future for a previous refusal of the grants, and there would be no unjust discrimination against any group of taxpayers in Canada in this respect.

"You will also recall that the Massey Commission made a very important recommendation with regard to the establishment of a Canada Council for the Arts, Humanities and Social Sciences. According to that recommendation, the functions of the Council would be to stimulate and to help voluntary organizations in the fields of the arts, the humanities and the social sciences, to devise and administer a system of scholarships in these fields, to foster Canada's cultural relations abroad and to perform the functions of a national commission for UNESCO.

"My colleagues and I have considered this proposal very carefully...some of our critics

would even say that we have studied it for too long...and we are now prepared to recommend the creation of the Canada Council to Parliament at its next regular session.

"We want this Council to be as independent as possible from the government. We are in favour of government support for the arts, the humanities and the social sciences but without government control. Moreover, we expect that, if the Council is constituted as an independent body, private individuals and industries will be disposed to make contributions to the financing of its activities because they also have responsibilities in this field. In order to achieve this objective, we will ask Parliament to approve an endowment of \$50 million for the Council in order to enable it to finance its activities from the annual income to be derived from the investment of that capital.

"We would also propose to add another function to those envisaged by the Massey Commission for the Council. It would consist of making capital grants to universities in Canada equal to 50 per cent of the cost of specific building or capital equipment projects, with appropriate regard to the population of each province. For that purpose, we would recommend another appropriation of \$50 million to be given to the Council and to be thus distributed by it over a period of ten years. According to reliable forecasts, it is estimated that our universities will have to devote more than \$350 million to capital expenditures during the next ten years and we feel that it is our duty to assist universities to meet this urgent need and to encourage others who may be also dependent on the services of university graduates to do likewise."

"We hope that this contribution of \$100 million to the Canada Council, the increase in the annual grants to universities and the continuation of our other programmes in the cultural fields will be viewed as a substantial recognition by the Canadian Government of the great contributions that our universities, our humanists, our scientists and our artists are making to the proper development of our great country. We do not consider for a moment that our assistance should be looked upon as the true measure of the value of all the immense services which are being provided through the universities or of the extent of their pressing needs. We are confident that all provincial governments will continue to increase the important contributions they are already making in these fields. We know also that individuals and private industry are well aware of the crucial problems that Canada has to face at this stage of our cultural development. Through the N.C.C.U. and the Canada Council, adequate channels will now be provided to make assistance available and through them we hope many others will find it convenient to do their share.

URGE AID TO EDUCATION: The Association of Professional Engineers of Ontario has called on all levels of government to support Canadian industry in financing the expansion of university facilities for adequate postgraduate training.

Dr. G.N. Patterson, Director of the University of Toronto Institute of Aerophysics, earlier had published a statement that he would not be able to accept even half the applicants for advanced studies this year. The Association said it based its stand on Dr. Patterson's statement.

The aircraft industry, Dr. Patterson said, should set up a building fund for the Institute of Aerophysics with an initial target of \$600,000 and subsequently \$100,000 a year. He had suggested this because he said most of the graduates found employment in the aircraft industry and in consideration of the financial support already received from the Defence Research Board and the Toronto University.

In the Association's statement, President Merritt W. Hotchkin said:

"The present grave situation as indicated by Dr. Patterson emphasizes the need for immediate action by the federal Government in helping Canadian industry to implement the recommendations made at the recent national manpower engineering conference at St. Andrew's, N.B."

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REPRESENTING CANADA: The Hon. Paul Martin, Minister of National Health and Welfare, will represent Canada at the ministerial sessions of the eighth Colombo Plan Consultative Committee meeting which take place in Wellington, New Zealand December 4 to December 8.

Before and after the Colombo Plan conference Mr. Martin will be visiting the Philippines, Republic of Vietnam, Cambodia, Laos, Thailand, Indonesia, Australia, Singapore, the Federation of Malaya, Burma, Ceylon, India and Pakistan. He will discuss questions of mutual interest with government leaders in these countries in the fields particularly of international affairs, economic development and health and welfare.

Mr. Martin will be the first Canadian Cabinet Minister to visit the 150-odd Canadians who are serving on the three International Supervisory Commissions for Vietnam, Cambodia and Laos. He will represent the Government of Canada at the Olympic Games in Melbourne, Australia on December 1.

The leader of the delegation of Canadian officials to the Colombo Plan meeting, Mr. R.G. Nik Cavell, will join Mr. Martin's party after the Wellington meetings for an inspection trip to several capital assistance projects in the various Colombo Plan countries. The preparatory work for the Colombo Plan Conference will be done by the officials who began these meetings in Wellington November 19.

CITY POPULATIONS SOAR

Metropolitan Edmonton and Calgary had the largest proportionate population growth between 1951 and 1956 of any of Canada's 15 census metropolitan areas, according to the sixth and last of the preliminary 1956 Census of population bulletins released by the Dominion Bureau of Statistics.

Of the 230 cities, towns and villages in the sixth preliminary release, over three-quarters showed increases in population since 1951. Of the 459 municipalities, townships and parishes, slightly more than one-half gained in population size during the five-year period.

With boundary changes taken into account the population of the census metropolitan area of Edmonton showed a five-year growth of 43.3 per cent to 248,949 from 173,075 in 1951. Calgary followed with a gain of 39.5 per cent to 196,152 from 139,105. Next largest rate of gain was 20.6 per cent for the metropolitan Toronto. The increase in Halifax was 19.2 to 159,678 from 133,931; London, 19 per cent to 153,491 from 121,516; Quebec, 9.6 per cent to 301,108 from 274,827; Saint John, 8.7 per cent to 85,121 from 78,337; and St. John's, 14.5 per cent to 77,553 from 67,749.

The five-year growth in population of the city proper for both Edmonton and Calgary was closely in line with the increases for their metropolitan area. Edmonton's city population increased 40.1 per cent in the five-year period to 224,003 from 159,631, and Calgary's rose 35.7 per cent to 177,861 from 129,060. Population of the city of Halifax increased 6.2 per cent to 90,871 from 85,589, London 5.5

per cent to 100,634 from 95,343, Quebec 1.8 per cent to 166,996 from 164,016, Saint John 2.2 per cent to 51,883 from 50,779, and St. John's 7.2 per cent to 56,694 from 52,873. Population of Three Rivers rose 9 per cent in the same period to 50,221 from 46,074.

On the basis of preliminary totals, the ten cities with the largest metropolitan area populations in Canada in 1956 were as follows: (1) Montreal, 1,595,327; (2) Toronto, 1,347,-905; (3) Vancouver, 658,813, (4) Winnipeg, 409,687; (5) Ottawa, 335,289, (6) Hamilton, 325,238 (7) Quebec, 301,108; (8) Edmonton, 248,949, (9) Calgary, 196,152, and (10) Windsor, 184,045. For cities, the 10 largest in 1956 were as follows: (1) Montreal, 1,094,448; (2) Toronto, 662,096; (3) Vancouver, 361,952; (4) Winnipeg, 256,683; (5) Hamilton, 237,749; (6) Edmonton, 224,003; (7) Ottawa, 215,113; (8) Calgary, 177,861; (9) Quebec, 166,996; and (10) Windsor, 120,525.

Population totals for cities between 25,000 and 50,000 are as follows: Sydney, 31,736 (31,317 in 1951); Moncton, 35,568 (27,334); Granby, 26,097 (21,989) Peterborough, 42,288 (38,272); Moose Jaw, 29,282 (24,355).

Cities between 10,000 and 25,000 population are as follows: Truro, 12,032 (10,756 in 1951); Lancaster, N.B., 12,307 (not incorporated in 1951); St. Jerome, 20,562 (17,685); Chatham, Ont., 22,158 (21,218); Niagara Falls, 23,442 (22,874); Owen Sound, 16,741 (16,423); Brockville, 13,656 (12,301); Medicine Hat, 20,621 (16,364); and Red Deer, 12,264 (7,575).

* * * *

TOURIST ACCOMMODATION: Investment in British Columbia's tourist accommodation totals more than \$81 million, according to the British Columbia Government Travel Bureau. Investment in hotels is estimated as \$57,396,000 and in tourist courts, motels and resorts as \$24,-267,000.

A survey of the province's tourist industry last year showed that 47 per cent of the guests are touring B.C. residents, 19 per cent from other Canadian provinces, and 34 per cent are from the United States.

A new nine-storey hotel, the first of its size since before World War II, is planned for Vancouver. It is to be constructed in the form of a cross so that every guest room will have an outside view.

* * * *

VEHICLE TESTS: Various types of Canadian military vehicles will be tested in the sub-arctic by personnel of the Army's Vehicle Experimental and Proving Establishment this winter. The tests will be conducted at Fort Churchill, Man., and will run from November 15 until approximately March 31.

During the tests, standard military pattern vehicles and at least five British vehicles will be put through their paces under conditions of extreme cold. Unlike other years when vehicle trials have been carried out at the northern base, tracked vehicles such as snowmobiles will not be tested.

The Army has used Fort Churchill as an experimental and training base since 1946. The RCAF, RCN, Defence Research Board and the United States Army also use the base to test men and equipment.

Truly arctic from a meteorological point of view, it is the only northern military base having year-round rail and air transportation. Vehicles to be tested already have been shipped to Fort Churchill by rail.

This winter's vehicle tests will include cold starts and reliability trials where vehicles literally will be run ragged to see if they can take it in cold weather. Members of the Vehicle Experimental and Proving Establishment will also test engine heating equipment, new materials for patching tires and a traction device that it is hoped will enable trucks to manoeuvre in deep soft snow.

BRITISH LEAD IMMIGRATION UPSWING

Immigrants to Canada in the nine months ended September 30 outnumbered by 863 the total of new settlers who arrived in this country during all of 1955. Exact totals for nine months of 1956 and all of 1955 were 110,-009 and 109,146.

An increase of nearly 24,000 over the total of 86,607 immigrants recorded during the first nine months of 1955 was accounted for in large measure by a jump of more than 10,000 in numbers of newcomers of British origin from overseas, the comparative totals being 34,734 and 24,032. Newcomers of German origin numbered 16,971, as against 15,512 in the first nine months of 1955; immigrants of Italian origin 19,708 as against 15,512, and arrivals from The Netherlands 6,768, compared to 6,367 in the corresponding period a year ago.

Of the total of 110,009 immigrants, 63,026 went into the labour force, with 20,246 going into manufacturing, mechanical and construction classifications; 8,975 into service occupations; 6,743 to clerical jobs, and 6,001 into agriculture. Among the workers were 6,651 with professional qualifications. During the first nine months of 1955, a total of 47,595 workers entered this country.

More than half the immigrants--61,205--decided to settle in the Province of Ontario, with 21,214 giving Quebec as their province

of destination, and 12,352 travelling to the west coast province of British Columbia. Nearly 13,000 chose the Prairie Provinces.

More than 23,000 of the immigrants were in the 20-24 age group, 21,002 in the 25-29 age group, and 13,654 were in the 30-34 classification.

Assisted Passage Helps

From the start of the Assisted Passage Plan in 1951 to the end of September, 59,593 immigrants from many countries took advantage of its terms to finance their trip to Canada. The record of repayment of loans has been excellent. Of a total of \$6,760,107 advanced to newcomers, \$5,888,518 has been repaid to date.

* * * *

WIDEN SPONSORSHIP: Effective January 1, 1957, Canadian Employers will be permitted to sponsor applications for the admission of workers and their dependents as immigrants to Canada, it was announced November 13 by the Hon. J. W. Pickersgill, Minister of Citizenship and Immigration.

The Minister, in a speech to the Liberal Business Men's Club of Toronto, also announced that immigration teams will be sent to European refugee camps this winter on an active recruiting campaign.

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PLASTICS OUTPUT: Production of primary plastics in Canada has expanded at a phenomenal rate over the past ten years. Last year, Canadian plants turned out \$49.3 million worth of synthetic resins as against \$6.8 million in 1945--a sevenfold increase in little more than a decade. In fact, primary plastics is one of the fastest growing of all Canadian industries; already it has gained an important position in the billion-dollar chemical field.

Exports of plastic raw materials constitute from one-quarter to one-third of total output. Sales abroad last year amounted to \$13.1 million (more than half of it polystyrene) compared with \$1.4 million in 1945. Exporters shipped plastic raw materials to 44 different countries in 1955 but eleven countries accounted for 87 per cent of total sales. Leading customers, in order of importance, were: United Kingdom (\$2.8 million) Hong Kong (\$1.7 million), France (\$1.6 million), The Netherlands (\$1.5 million), West Germany (\$933 thousand), Japan (\$879 thousand), and Australia (\$661 thousand). Polystyrene exports outstripped the total for all other plastics shipped to Hong Kong, The Netherlands, West Germany, Japan and Italy; the United Kingdom and France accounted for nearly 60 per cent of exports of all other types of synthetic resins.

TOURIST CONFERENCE: Canada's tourist problems, including factors leading to a mild decline in the midsummer flow of travellers from the United States this year, will be aired at the 11th Federal-Provincial Tourist Conference in Ottawa on November 26 and 27.

Delegates from the ten provincial tourist organizations, as well as representatives of the leading transportation companies and the Canadian Tourist Association, have been invited to participate.

The Hon. Jean Lesage, Minister of Northern Affairs and National Resources, will preside over the Conference, assisted by R. Gordon Robertson, Deputy Minister of the Department, and D. Leo Dolan, Director, Canadian Government Travel Bureau.

"This should be a most important gathering for the tourist industry's future," Mr. Lesage states. "Tourism has been at near-record proportions in 1956, but all of us connected with the industry are concerned with the problems of increasing our tourist trade. Our discussions should help in seeking a solution for whatever difficulties can be remedied by human action. We cannot, of course, change the weather--and the weather in the eastern part of Canada has been blamed for much of the problem this year. We hope to discover what other reasons there may have been for the lessened numbers of tourists in some areas."

NOVA SCOTIA RECOUNT: A recount in one of the constituencies following the recent provincial election in Nova Scotia resulted in the election of a Progressive Conservative to a seat previously announced as won by the Liberals:

The revised party standing:

Progressive Conservative	24
Liberal	18
C.C.F.	1
Total	43

* * * *

EXPORTS AT NEW PEAK: Canada's domestic exports reached an all-time peak total in the first three-quarters of this year, rising 11.8 per cent to \$3,518,000,000 from \$3,145,600,000 a year earlier.

Among major commodities there were substantial nine-month increases in the movement abroad of newsprint paper, wheat and other grains, wood pulp, nickel, copper and products, iron ore, petroleum and products, asbestos and products, aircraft and parts and industrial machinery, but decreases in planks and boards, aluminum and products, wheat flour and fertilizers. Gains were general to all main geographic areas in the nine-month period.

Domestic exports to the United States rose in September to \$230,971,000 from \$225,619,000 and in the 9-month period to \$2,071,033,000 from \$1,865,072,000. The trend in commodity groups was mixed in September with increases in five and decreases in four. In the nine months, increases were registered for eight of the nine main groups, largest gains being in the agricultural and vegetable, wood and paper, iron, non-ferrous metals and non-metallic minerals and products groups.

Exports to the United Kingdom rose in value in September to \$75,246,000 from \$71,998,000 a year earlier and in the nine-month period to \$587,974,000 from \$582,616,000. Gains in both the month and nine months were posted in main commodity groups with the principal exception of the wood and paper group which showed substantial declines in both periods.

Shipments to the rest of the Commonwealth dropped sharply in September to \$19,058,000 from \$29,540,000 a year earlier, but nine-month exports to the group were slightly higher at \$185,406,000 as compared with \$183,-462,000. Shipments were higher in value both in September and the nine months to Jamaica but lower to Australia and New Zealand. Values were lower in September but higher in the nine-month period for the Union of South Africa and India.

Exports to Latin American countries showed small gains, rising in total in September to \$14,566,000 from \$14,301,000 a year earlier and in the nine months to \$123,707,000 from

\$120,944,000. For most individual markets changes were relatively small both in September and the nine-month period.

Exports to European countries were sharply higher both in September and the nine months, substantial increases being posted for France, Federal Republic of Germany, Italy, Netherlands, Norway and Switzerland. Heavy grain shipments boosted nine-month totals for Czechoslovakia, Poland and U.S.S.R. The area total for September was \$42,262,000 versus \$33,-187,000 a year earlier, bringing the January-September value to \$401,051,000 versus \$269,-663,000.

Owing for the most part to large increases to Japan, domestic exports to all other foreign countries jumped to \$20,101,000 in September from \$8,035,000 a year earlier and to \$135,187,000 in the nine-month period from \$112,088,000.

January-September group values were (in millions): agricultural and vegetable products, \$707.6 (\$547.3); animals and animal products, \$189.7 (\$189.5); fibres, textiles and products, \$15.4 (\$15.5); wood, wood products and paper, \$1,131.6 (\$1,130.6); iron and products, \$338.1 (\$298.1); non-ferrous metals and products, \$660.9 (\$608.8); non-metallic minerals and products, \$209.8 (\$142.7); chemicals and allied products, \$170.3 (\$152.5); and miscellaneous commodities, \$94.5 (\$60.7).

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"OVER THE BORDER": The Pipes and Drums of both 1st and 2nd Battalions, The Black Watch (Royal Highland Regiment) of Canada, were in New York City November 16 at the invitation of the St. Andrews Society of New York to play in the Scottish Festival and lead the Grand Ball commemorating the 200th anniversary of the founding of the Society.

Led by Pipe-Major Duncan Rankine, of Stenhousemuir, Scotland, The Black Watch Pipes and Drums performed in the US 7th Regiment Armoury, Park Ave. and 66th St., New York City, carrying out the traditional retreat ceremony and playing a selection of well known Scottish airs.

The decision to invite the Black Watch band to New York grew out of the tremendous success enjoyed by the unit in a recent engagement in Bermuda.

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GUNNERS' TITLE: The Army has announced a change in the name of its artillery headquarters, units and formations in both the Regular Army and the Militia designed to make the gunners' title traditionally correct. Instead of "The Royal Canadian Artillery", the artillery will henceforth be known as "The Royal Regiment of Canadian Artillery". (The abbreviation "R.C.A." will be retained).

This brings Canadian artillery into line with the Royal Regiment of Artillery in the United Kingdom with which Canadian artillery units are affiliated.

300 MILLION DOLLAR INDUSTRY: Canada's poultry industry, if considered on a dollar basis, has increased four fold since pre-war days and ranks fifth in agriculture on the basis of farm cash income. In relation to products of the forest and mine, the value of the poultry industry exceeds copper, nickel, iron ore, structural material and asbestos. Only in 1955 did the value of crude petroleum at the well head exceed that of the poultry industry.

There has been a tremendous transition in the poultry industry in the last few years. Production has become highly specialized, processing is now done on a gigantic scale and marketing methods are receiving more attention than ever before. Broiler production is largely responsible for this recent trend towards specialization. Ten years ago the chicken broiler was just beginning to seriously take root in Canada. It soon became evident that broilers could be produced in large numbers with a quick crop turnover at a relatively low labour cost. Broiler chickens can be finished for market in from nine to ten weeks and turkey broilers can be handled in approximately 12 to 14 weeks. This means a specialized broiler producer can handle about three and one-half crops per year.

NO LONGER SIDELINE

If a poultry man raises 20,000 broilers at a time he will have a turnover of approximately 70,000 birds annually. This represents a total of approximately 210,000 pounds of poultry meat, assuming an average live weight of three pounds for each bird. This production in terms of meat is equivalent to slightly over 1,000 hogs at 200 pounds live weight or 500 steers that put on a gain of 400 pounds each. Poultry production, as these figures indicate, is no longer a sideline enterprise.

Another outstanding feature which has made the broiler so attractive from a producer's viewpoint, is its ability to convert feed into meat. No other meat animal can compare with the broiler in this respect and although the hog is the closest competitor, it is 20 per cent less efficient. It is not uncommon to produce a pound of live weight on a broiler with 2.6 pounds of feed.

Turkey broilers have followed the same pattern as chickens over the last five to ten years. Turkeys used to be produced primarily for Christmas and Thanksgiving and although the big volume is still at those seasons they are now sold more generally throughout the year. The small size turkey is competing actively with the roasting chicken and has influenced the trend toward broiler production. This has resulted in a substantial increase in turkey-growing in Canada.

Poultry marketings in 1955 were 45 per cent higher than the 1943-47 period--which up to then was a record--and egg marketings were up 4 per cent. During the war years large quan-

tities of poultry and eggs were exported but today the bulk is consumed on the home market.

Turkey marketings through Canadian processing plants have increased from 18 million pounds in 1951 to 41 million pounds in 1955. The original work done in Canada in the development of the broadbreasted bronze turkey has played a part in the growth of the turkey industry. Similar work in chicken breeding has led to the development of better chicken meat strains and higher egg production.

The manner in which the broiler industry has expanded is far beyond early predictions. Eviscerated and cut-up chicken is as much a standard product in most self-serve counters today as sausage and bacon. This expansion has presented a challenge to poultry breeders, broiler growers, hatchery operators, processing plant operators and marketing agencies. Operations are now on a year round basis and specialization seems to be the key to the future of the poultry industry. The consumer is growing more demanding in all respects and it is not stretching the imagination too far to see production and marketings doubled again within the next few years.

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FARM LOANS: The twenty-seventh Annual Report of the Canadian Farm Loan Board for the year ended March 31, 1956, has just been issued.

The Board is an agency of the Government of Canada, established for the purpose of making first mortgage loans to Canadian farmers. In the year ended March 31, 1956, 2,057 loans for a total of \$8,309,650 were approved as compared with \$8,225,500 in the previous year. The average loan was \$4,040 as compared with \$3,835 in the previous year. At March 31, 1956, there were 18,931 first mortgage loans and 2,389 second mortgage loans outstanding for a total of \$44,958,136, being an increase of \$4,837,800 over the previous year. Collection experience continues to be satisfactory and 87 per cent of the total due for interest during the year had been paid by the end of the year. Of the total of \$3,623,518 of principal repaid during the year over 54 per cent was received in payment of principal not yet due by the terms of the mortgage contracts.

Changes in the Canadian Farm Loan Act made at the last session of Parliament designed to widen the field of operations by increasing the maximum loan limit from \$12,000 to \$15,000 and the maximum loan term from 25 to 30 years did not come into effect until after the close of the fiscal year and are not reflected in the Report. Board officials state that there has been a substantial increase in the demand for loans in the first six months of the current year and that loan approvals for this period are 45 per cent greater than in the corresponding period last year, due in part to the larger loans now permissible under the amended Act.

PUSHING BACK FRONTIER

The frontier is being pushed back steadily in Canada's northland.

In Saskatchewan, an all-weather route opening a 5,000 square mile territory in the far northwest region of the Province is being pushed at top speed, and is now within a few miles of its terminus, Buffalo Narrows.

Although the road will not be completed this year, a right-of-way is being cleared to the settlement to permit winter freighting operations.

Initially, resources department officials had hoped to see the road, started in 1954, pushed through to Buffalo Narrows by 1958. However, smooth going, fair weather and streamlined building methods made for much greater progress than was earlier anticipated.

The road is linked with Number Three Highway at Green Lake, and now serves the settlements of Beauval and Île à la Crosse. Although immediate plans only call for building it to Buffalo Narrows, resources department officials believe it may be extended someday to serve the La Loche, Cree Lake and Athabasca areas.

Building of the Buffalo Narrows road, which will be about 130 miles long when completed, is a job for big machines--100 horsepower, bulldozer-equipped, crawler tractors to clear right-of-way and hack out passage through hills and ridges; cat-drawn and self-propelled scrapers to fill low spots; graders to build and shape the road; and heavy, five-ton trucks to haul gravel, sand and clay to "cap" new grade.

Together, these machines move close to 50,000 tons of earth daily.

The overall road-building operation costs about \$2,500 a day. A five-ton truck, alone, on double shift, burns \$25 worth of gas (about 60 gallons).

Approximately \$250,000 was allotted for construction work this year and it is estimated the completed road will cost the resources department close to \$500,000.

The 5,000-square-mile territory it opens up might be described topographically, as a shallow trough gouged out during the last ice age. It is bounded by the high land of the Missouri Coteau to the west-southwest and by the Precambrian Shield to the north-east. Its waters drain into the Churchill River system, which eventually finds its way to Hudson Bay.

Oldtimers from settlements like Île à la Crosse can still remember the time when their grandfathers travelled by boat all the way to Hudson Bay to trade their furs for supplies. The round trip took from early spring to late

fall. In those days, the Churchill was the highway of the North.

ECONOMIC, SOCIAL GAINS

The new road will bring both economic and social gains to the Buffalo region, with its 3,000 Metis and Indians, and sprinkling of Whites.

It will permit extensive tapping of the region's resources and, by reducing transportation costs, substantially improve the region's economic position.

Its effects are already being felt. Freighting costs to Île à la Crosse dropped substantially last July, when the road reached the Canoe River crossing, ferrying point to the settlement across a narrow arm of Lac Île à la Crosse.

The Buffalo region's commercial fisheries resource will be among the first to benefit from the road, expected to cut freighting costs to railhead by half. This will bring fishermen greater returns and extend the scope of commercial operations to outlying lakes not yet fished. Present commercial fish production from the region is 2,000,000 pounds annually.

NEW INVESTMENT

It will also bring in new capital investment--garages, restaurants, and outfitting and accommodation facilities for the tourist trade at first and possibly larger industries later.

Businessmen in supply centres like Prince Albert and Meadow Lake will also benefit, through the greater flow of goods into and raw materials out of the region.

A group of Meadow Lake businessmen have already laid plans to make the road a main link of a route for winter freighting operations to Uranium City. These far-sighted businessmen are pioneering a new supply line to Saskatchewan's far north that may pay off handsomely for the province someday.

PROMOTES TOURISM

The road will promote tourism by making possible a new sport fishing industry. It will also assist mineral exploration by providing a new access route to the southwestern margins of the Precambrian Shield.

It will spark development of the region's market gardening and livestock raising potential by providing easy access to outside markets; make operable some of its timber stands; and provide forest fire protection access to several thousand square miles of commercial forest.



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CANADA'S POSITION IN WORLD CRISIS

Statements by Prime Minister St. Laurent and by Mr. L.B. Pearson, Secretary of State for External Affairs, last week outlined Canada's position in the international crisis occasioned by the tumultuous events in the Middle East and the situation in Hungary.

In a radio and television address November 4, Prime Minister St. Laurent made the following summation of Canada's views on the two grave world problems and reviewed actions taken in the United Nations by Canada up to that time:

I think it my duty to speak to you tonight about the very grave events of the last two weeks. I should like first to talk about the Middle East crisis. I would like to explain to you the Government's recent actions in the context of our general policy in the Middle East. For the last few years peace has been precarious in this area, especially around the borders of Israel, whose creation as a state was recommended by the United Nations General Assembly with Canada's support in November 1947.

While the tensions arising out of the situation in the Middle East have continued, Canada has steadily encouraged efforts to secure a fair settlement based on the principle that Israel should live and prosper--but not the principle that it should expand at the expense of its Arab neighbours.

A recent communist intervention in the Middle East has contributed directly to the present crisis. By supplying offensive weapons

in large quantities to Egypt the Communist world threatened to upset the balance of power between Israel and its Arab neighbours. In order to help redress this potential imbalance Canada agreed a few weeks ago to authorize the export of 24 F-86 jet fighter planes to Israel over a six-month period. We realized however that a permanent settlement between Israel and its neighbours arranged by the United Nations was the only way in which peace could be preserved in the long run.

Egypt's nationalization of the Suez Canal Company increased the dangers inherent in the Middle East situation. The Egyptian action introduced a threat to the trade on which the economic life of many countries depends. It placed the control of shipping in the Canal in the hands of a government which for some years has been denying access to the Canal for Israeli ships in defiance of a Security Council resolution.

In the crisis which resulted from the nationalization of the Canal Company the Canadian Government has followed a definite and consistent policy in public statements and in private discussions with the nations concerned. We have advocated that a settlement of the issues relating to the Canal which directly affect so many countries should be achieved under the auspices of the United Nations and there should be no resort to force. The Canadian Government welcomed the 18-power proposals agreed to at the London Conference in August as a sound basis for negotiating a

(Over)

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(C.W.B. November 14, 1956)

settlement. We have stated our belief that this settlement should respect the legitimate sovereign rights of Egypt. It should also safeguard the right of ships of all nations to pass through the Canal. At the same time it should protect the international waterway from arbitrary and unjustified intervention by any country, including Egypt. We have stated our belief that this settlement should be embodied in co-operative arrangements with which the United Nations should be associated in an appropriate manner.

Because we believe that a permanent settlement of Israel's relations with its neighbours and of the future of the Suez Canal should be reached by peaceful negotiations under the aegis of the United Nations, the Canadian Government regrets that Israel proceeded last week to use force against Egypt, although we recognize that Israel have been subject to grave threats and provocations during the last few years. Though we recognize the vital importance of the Canal to the economic life and international responsibilities of the United Kingdom and France, we could not but regret also that, at a time when the United Nations Security Council was seized of the matter, the United Kingdom and France felt it necessary to intervene with force on their own responsibility.

Your Government has acted promptly in this crisis. We have taken immediate steps to further the safety of Canadian civilians in the Middle East. We have suspended the shipment of jet interceptor aircraft to Israel. The Canadian Government voted for consideration of the Israeli attack at the Special Session of the United Nations General Assembly on November 1 which was called after Security Council action was made impossible by the negative votes of two of its permanent members.

A United States resolution was introduced which called for an immediate cease-fire, the prompt withdrawal of forces and the end of military shipments to the area. On Friday morning this resolution was carried by 64 votes in favour to 5 against, including the United Kingdom and France. Canada and five other nations abstained in the vote on this resolution.

In explaining the reasons for this abstention, I should like to quote part of what Mr. Pearson said in the General Assembly:

"I regret use of military force in the circumstances which we have been discussing but I regret also that there was not more time, before a vote had to be taken, for consideration of the best way to bring about that kind of cease-fire which will have enduring and beneficial results."

He later added:

"I therefore would have liked to see a provision in this resolution....authorizing the Secretary-General to begin to make arrangements with member governments for a United Nations force large enough to keep these

borders at peace while a political settlement is being worked out."

We have swiftly followed up this suggestion. At another special session of the United Nations General Assembly in New York last night Mr. Pearson introduced a resolution on behalf of Canada which requests the Secretary-General to submit within 48 hours a plan for a United Nations force to secure and to supervise the cease-fire arrangements which were referred to in the United States resolution. Mr. Pearson explained that no members of the United Nations are to be asked to provide forces without their previous consent. The Canadian Government is ready to recommend Canadian participation in such a United Nations force if it is to be established and if it is thought that Canada could play a useful role.

The Canadian resolution was passed by the General Assembly early this morning without a single dissenting vote although there were a number of abstentions. At the same time the General Assembly passed a resolution sponsored by 19 nations; it reaffirmed the United States resolution about cease-fire arrangements and authorized the Secretary-General to arrange with the nations concerned the implementation of this resolution and asked him to report on their compliance.

The establishment of the United Nations force will be to ensure an effective cease-fire in the affected area. The governments of the United Kingdom and France have signified their willingness, under certain conditions, to suspend their military intervention if a United Nations truce force is given responsibility. According to present information, Israel and Egypt have stated their willingness to accept cease-fire arrangements provided other parties also co-operate.

We have strong reason to believe that a United Nations command will be established within the 48 hours set in the Canadian Resolution. This is only the first step toward a permanent settlement of Middle East problems. In the General Assembly last night the United States introduced two new resolutions which seek to establish United Nations committees to consider the future of Israel's relations with its neighbours and the future of the Suez Canal. We believe these resolutions represent a constructive approach to these problems. We will actively participate in efforts to make progress on the lines which the Assembly has approved.

We have spent anxious days of late and I am sure you all share our anxiety. The present crisis has strained both the Western alliance and the bonds of the Commonwealth more than any other event since the Second World War. If we can use it as the opportunity to dissipate the black cloud which has hung over the Middle East these many years, the present danger and strains may prove to have been a price worth paying.

WOMEN IN SCIENCE AND ENGINEERING

The Department of Labour has published a report based on the records of 830 women who are qualified to practice in Canada as architects, scientists, engineers or in veterinary medicine and have completed questionnaires for the Technical Personnel Register of the Department. Only persons who received their Bachelors Degree prior to 1952 are included in the analysis. Graduates of the years 1952-1955, however, were asked to complete the questionnaire used by the Technical Personnel Register, and the records of these persons will be brought up to date three years after graduation, when a more reliable classification of their professional qualifications, as well as of their academic training, can be made. The Register does not include home economists, high school teachers or nurses.

The greatest concentration of women is in the science professions rather than in engineering, with biology and chemistry registrants accounting for about three-quarters of the total. By profession, the proportion of women to total registration is 23 per cent in biology; 12 per cent in geography; 8 per cent in mathematics; 4 per cent in chemistry; and 3 per cent in physics. In the remaining professions women account for less than 2 per cent of registrations. For the Register as a whole, women account for slightly more than 2 per cent of registrations. It is apparent that there is a higher percentage of women in those professions where research and laboratory work is important in comparison to those where greater mechanical or manual activity is required.

BIRTHPLACE DATA

Canada was the birthplace of 719 of the women covered in the report. Of the others, an unusually high proportion are of Continental European origin in comparison to those of United Kingdom and United States origin. The number of practicing women professionals who were born in Europe is more than the combined total of those born in the U.K. and U.S., whereas in some of the preponderantly male professions the reverse is the case. For example in geology the ratio from Europe to the combined total of U.K. and U.S. is 1 to 7 and in architecture 1 to 2.

The great majority of women scientists and engineers received their first degrees in Canadian universities, with five major universities accounting for about 60 per cent of first degrees and Canadian universities as a whole accounting for about 94 per cent. Only about one-half of the women registered as being born in the United Kingdom or the United States received their university degrees in those countries.

In almost all of the main professional categories represented in the Technical Per-

sonnel Register, the preponderant functions of women scientists and engineers are research; testing, inspection and laboratory services; and teaching. Although these three functions account for 87 per cent of all women in the Register, these functions are not represented in all professional categories. In biology, about 41 per cent of women are in research; 49 per cent in testing, inspection and laboratory services; and 13 per cent in teaching. In chemistry about 41 per cent are engaged in research; 44 per cent in testing, inspection and laboratory services, and 6 per cent in teaching. In physics about 37 per cent of women are in research and 31 per cent in teaching. These figures suggest that women tend to perform a relatively narrower range of functions than do men in the same professions.

NO DEFINITE PATTERN

In the remaining professions there is no definite pattern as regards function, except that teaching accounts for about one third of women in agriculture and mathematics and 70 per cent for women in architecture. The following functions are not performed by any women scientists and engineers included in the Register: installation and erection; construction; and lay-out and location.

Research work accounts for about 27 per cent of women bachelors, 61 per cent of masters, and 47 per cent of doctors. Testing, inspection and laboratory services account for about 50 per cent of bachelors, 11 per cent of masters, and 6 per cent of doctors. Teaching and related work account for 7 per cent of women at the bachelors level, 18 per cent of masters and 40 per cent of doctors. The conclusion from the available data is that the level of academic training appears to have only a slight affect on the type of function performed by women scientists and engineers, with the exception of the preponderance in testing and laboratory services at the bachelors level, and in teaching at the doctors level.

The majority of women included in the Register are employed in the service industries which are comprised of education, governments, consultants and personal service. In this group the main functions are research, and testing and laboratory work, and to a lesser extent, teaching. The next largest group are self-employed or unreported as to employer type. In this group the distribution by function is approximately the same as in services. In manufacturing, the third largest employer group, the relative importance of teaching and testing is the reverse of the proportion found in the self-employed and the services industries, with teaching and related functions in third place.

There is no representation of women in the primary industries or public utilities, and the number in the remaining broad groups of industries is negligible.

The highest proportion of employment in all the main professional specializations is found in the service industries. In the numerically more important professions, education, government, and other service employment accounts for about 80 per cent in biology; 60 per cent in chemistry; 77 per cent in physics; 68 per cent in agriculture and 62 per cent in mathematics.

The representation of women in those industries that employ large numbers of engineers, in contrast to scientists, is almost negligible.

The concentration of women scientists and engineers included in the Register is at the bachelors level in academic training, and by age group 26-35. The implication is that there has been a post-war increase of interest by women in the scientific and engineering field.

The average academic level for women included in the Register is higher than for men. For the register as a whole 74 per cent hold bachelors degrees; 12 per cent hold masters degrees and 6 per cent hold doctors degrees. Of the women in the Register 66 per cent hold bachelors degrees, 23 per cent masters degrees and 11 per cent doctors degrees.

The variance is partly accounted for by the fact that the register included a large number of male architects who do not hold a degree and large numbers of engineers, where the bachelors degree is common.

In the scientific and engineering professions, there is a larger proportion of women in the younger age groups than is the case with men. About 69 per cent of women are 35 years or under, whereas only 35 per cent of men are in this group. The median age for women in the register is 31 years; for men the median age is 39.

* * * *

MANUFACTURING IN QUEBEC: Gross factory value of products shipped by Quebec's manufacturing industries in 1954 rose to a new high of \$5,395,787,000 from the preceding year's \$5,386,785,000. There were 12,191 plants in operation during the year versus 12,132, their employees numbered 424,095 versus 441,555, and salary and wage payments grossed \$1,214,661,-000 versus \$1,225,573,000.

Quebec has developed its \$5,400,000,000 manufacturing output with such leading industries as pulp and paper, non-ferrous metal-smelting and refining, petroleum products, slaughtering and meat packing, cotton wear and cloth, men's and women's clothing, tobacco, cigars and cigarettes, synthetic textiles and silk, railway rolling-stock, leather footwear and miscellaneous electrical apparatus.

Quebec's leading industry is pulp and paper with an output of approximately \$532,000,000

in 1954. Quebec is a principal world centre for the production of newsprint with 55 major pulp and paper plants concentrated in the Trois Rivieres and Shawinigan Falls districts as well as along the Saguenay, Ottawa, and St. Lawrence rivers. The production of non-ferrous metals has expanded considerably during the past decade. The output of aluminum has made impressive strides during the past years and reached a record total of 557,897 tons in 1954.

Two of the most important industrial developments in Quebec are the Ungava iron ore project and the new titanium industry. With the exploitation of the Ungava iron deposits on which it is believed, the future of the great steel industries of this continent rests, Quebec's industrial base is being expanded to the point where the future industrial development of this province is well assured.

Quebec's industries are not as diversified as those of Ontario, although a number have an output approximately half or more of the total Canadian production. The manufacture of pulp and paper occupies the premier position. Fifty years ago this industry had hardly come into existence in the Province and in the mid-1920's the annual gross value of production had not yet reached \$100,000,000. By the end of 1954 it accounted for about 10 per cent of the gross value of Quebec's manufactures and for about 43 per cent of the Canadian total for this industry. Other large Canadian industries in which Quebec predominates are tobacco, cigars and cigarettes 94.6 per cent of the Canadian total; women's factory clothing 69.4 per cent; cotton yarn and cloth 66.7 per cent; leather footwear 59.0 per cent; men's factory clothing 56.6 per cent; synthetic textiles and silk 52.9 per cent; miscellaneous electrical apparatus 44.6 per cent.

Quebec also predominates in a large number of the smaller industries. The candle industry contributed 97.1 per cent of the Canadian total; men's clothing contractors 93.4 per cent; cotton thread 84.1 per cent; women's clothing contractors 83.4 per cent; dyeing and finishing of textiles 80.9 per cent; children's clothing 78.0 per cent; embroidery, pleating and hemstitching 73.3 per cent; lasts, trees and shoe findings 74.8 per cent; oilcloth, linoleum and coated fabrics 74.1 per cent; artificial flowers and feathers 72.0 per cent; narrow fabrics 71.2 per cent; oiled and water-proofed clothing 70.0 per cent; fur dressing and dyeing 69.2 per cent; boot and shoe findings, leather 68.7 per cent; miscellaneous clothing 67.3 per cent; corsets 64.1 per cent; process cheese 63.8 per cent; miscellaneous textiles 59.2 per cent; fur goods 56.4 per cent; asbestos products 53.8 per cent; medicinal and pharmaceutical preparations 47.8 per cent; woollen cloth 45.4 per cent; buttons 43.9 per cent; musical instruments 39.1 per cent.

MINE DISASTER: Joy and sorrow mingled at the scene of one of Canada's worst disasters following an explosion which occurred November 1 in the Cumberland Railway and Coal Company mine at Springhill, Nova Scotia.

Eleven mine workers were killed in the explosion, and 112 others were trapped far underground. In the rescue operations which started immediately, 2 draegermen were victims of the gas which filled the shafts and tunnels of the mine.

Two days after the explosion, 36 survivors were brought to the surface, and emotion ran high as their families' grim vigil at the mine entrance came to an end.

But 88 miners were still below.

On November 5, an additional 52 survivors were brought safely through the gas-filled tunnels of the mine. The remaining 24 had succumbed.

The final reckoning: Dead 37
Rescued 88
Injured 7

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CANADIAN MEDICAL MISSION: As part of Canada's Canadian Colombo Plan contribution, a Canadian Medical Mission is to visit India to present lectures, give clinical demonstrations and discuss professional training in Indian medical colleges.

The Mission will consist of a medical teaching team and a tuberculosis team of noted medical men, under the leadership of Dr. Wilder Penfield, Director of the Montreal Neurological Institute and Professor of Neurology and Neurological Surgery at McGill University.

The medical team will spend three months in India, one month at each of three leading medical colleges. The tuberculosis team will similarly visit three teaching institutions over a period of approximately six weeks. Tentative arrangements are for the tuberculosis team to leave Canada on December 27 or 28 in order to represent Canada at the 14th International Tuberculosis Congress, to be held in Delhi from January 7 to 11. The medical team is expected to leave Canada early in the new year, arriving in Delhi about January 10 and embarking on work which will occupy their section of the Mission until late March.

Dr. Penfield, the leader of the medical teams, will lecture in Karachi, Pakistan, and Colombo, Ceylon, as well as in India.

Progress of this further Canadian contribution to international economic and technical co-operation under the Colombo Plan is expected to be observed at first hand by the Hon. Paul Martin, Minister of National Health and Welfare, who is to visit various Colombo Plan countries in South-East Asia on his way home from New Zealand, where he is representing Canada at the meetings of the Colombo Plan Consultative Committee.

TO EASE ENGINEER SHORTAGE: An educational experiment that may help relieve a future shortage of engineers and technicians will be inaugurated soon at Waterloo College, Ontario.

The plan was announced by Ira G. Needles, Chairman of the Board of Governors of the Associate Faculties of Waterloo College and President of B.F. Goodrich of Canada Ltd., at a Kitchener Rotary Club luncheon.

Highlights of the plan are:

A six-year engineering course with admittance after Grade 12 standing.

A technical diploma after three years for students not proceeding to an engineering degree.

A co-operative plan with industry under which students spend alternate 13-week periods in college and in industry.

Further research must be carried out before the plan is adopted. It has been estimated that the course will begin in the fall of 1957.

In making the announcement, Mr. Needles began by pointing out that of all those in Canada eligible for university, only 7.5 per cent are taking advantage of their opportunities; but this proportion will, it is estimated, double in the next 10 years.

This raises two major problems, he said: (1) the provision of university buildings, equipment and instructors to meet the increased demand, and (2) the direction into the technical field of more of those who have the ability to procure and make use of a technical education.

The answer to the first problem is money, he pointed out, to make possible the needed buildings, equipment and instructors. "But this expansion of our universities does not provide the complete solution to the vital education problem, especially in the field of technology," he added.

Mr. Needles gave this explanation of the plan which bears the title, "Co-operative Plan of Education for Engineers and Technicians".

"We propose to admit students who have successfully completed Grade 12 in either vocational or high schools. For the next two years the student is given a course that includes the equivalent of the Grade 13 subjects required for university admission, some first-year university subjects and at least 12 hours a week instruction and lab work in technical subjects.

"At the end of two years, students who qualify in their academic subjects may then proceed towards a four-year engineer's degree course. Students who fail to qualify in academic subjects but who show definite aptitude towards technical subjects would be encouraged to proceed with third-year course for technicians....

Mr. Needles also pointed out that the College will operate its facilities for a full 12 months each year, thus educating double the number of students with the same space and equipment.

CANADA'S POSITION IN WORLD CRISIS

(Continued from P. 2)

I have spoken at length about the momentous events in the Middle East, but I must refer also to the grave and tragic events which have led to turmoil and bloodshed in Eastern Europe. For the first time since the end of the war a real hope appeared, in the last two weeks, that some at least of the countries which have contributed so much to the civilization of the world might secure some measure of independence from Moscow.

In Poland, a form of national communism has been established which appears determined to demand as a minimum the right to develop along its own lines, and not according to a Moscow pattern. Not least encouraging was the release of the Roman Catholic Primate of Poland.

We were also encouraged by a statement from Moscow which said that the Soviet leaders were prepared to re-negotiate their relations with Eastern Europe on the basis of equality and non-interference in their neighbours' internal affairs.

Even before this announcement, the brave Hungarian people had risen to demand the freedom so long denied them. The Hungarian revolution was a passionate and significant outburst of national feeling, both strongly anti-Russian and anti-Communist. We rejoiced in the release of Cardinal Mindszenty and other religious leaders and we shared the hopes, as well as the anxiety, of our fellowcountrymen of Hungarian origin.

Today, these hopes seem to have been shattered. Soviet action has made a mockery of Soviet statements. According to the latest reports, Soviet armed might is being applied against the gallant and practically unarmed people of Hungary. Moscow has announced that it will crush the Hungarian revolt and reimpose its will on Hungary by brute force.

Last night, in an emergency session, the Security Council met in response to an appeal from the Hungarian Government and considered a U.S. resolution condemning Soviet military interference in the internal affairs of Hungary. The resolution was vetoed by the Soviet Union. The matter was then referred to a special session of the General Assembly which is now meeting and which provides the opportunity of condemning in the most forthright terms the callous disregard by the Soviet Union of the elementary rights of the Hungarian people.

Our aim is that the people of Eastern Europe should be free to choose their own form of government, a basic human right they have not enjoyed for years. The Soviet Union's resort to military force against a neighbouring nation is a most serious threat to the peace which we have solemnly pledged ourselves to preserve and defend in signing the Charter of the United Nations.

The one encouraging aspect of the events of the last few days has been the almost unanimous action of the nations of the world in endeavouring to implement their obligations under that Charter.

And, in conclusion, I wish to assure my listeners that all the members of their Government have been in full agreement at all times as to what should be done and what could be said and when it should be done and when it could be said. And I am sure that, if and when any action of ours requires, according to our practices, the approval by Parliament, that approval will be given in no uncertain terms.

Let us all hope that this approach to unanimity of men of good will of so many nations may help to realize that part of our daily prayer to a Power greater than any here below: "Thy will be done on earth as it is in heaven".

On November 2, at the first emergency special session ever held by the General Assembly of the United Nations, Mr. Pearson explained Canada's stand on a resolution calling for a cease-fire in Egypt, and expressed this country's regret that the resolution had not provided for definite action to bring about a lasting solution to the Middle East problem. Text of this statement follows:

I rise not to take part in this debate, because the debate is over. The vote has been taken. But I do wish to explain the abstention of my delegation on that vote.

It is never easy to explain an abstention, and in this case it is particularly difficult because we are in favour of some parts of this resolution, and also because this resolution deals with such a complicated question.

Because we are in favour of some parts of the resolution, we could not vote against it, especially as, in our opinion, it is a moderate proposal couched in reasonable and objective terms, without unfair or unbalanced condemnation; and also, by referring to violations by both sides to the armistice agreements, it puts, I think, recent action by the United Kingdom and France--and rightly--against the background of those repeated violations and provocations.

We support the effort being made to bring the fighting to an end. We support it, among other reasons, because we regret that force was used in the circumstances that face us at this time. As my delegation sees it, however, this resolution which the General Assembly has thus adopted in its present form--and there was very little chance to alter that form--is inadequate to achieve the purposes which we have in mind at this Assembly. Those purposes are defined in that resolution of the United Nations under which we are meeting--resolution 377(V), uniting for peace--and peace is far more than ceasing to fire, although it certainly must include that essential factor.

This is the first time that action has been taken under the "Uniting for Peace" resolution, and I confess to a feeling of sadness, indeed even distress, at not being able to support the position taken by two countries whose ties with my country are and will remain close and intimate; two countries which have contributed so much to man's progress and freedom under law; and two countries which are Canada's mother countries.

I regret the use of military force in the circumstances which we have been discussing, but I regret also that there was not more time, before a vote had to be taken, for consideration of the best way to bring about that kind of cease-fire which would have enduring and beneficial results. I think that we were entitled to that time, for this is not only a tragic moment for the countries and peoples immediately affected, but is an equally difficult time for the United Nations itself. I know, of course, that the situation is of special and, indeed, poignant urgency, a human urgency, and that action could not be postponed by dragging out a discussion, as has been done so often in this Assembly. I do feel, however, that had that time, which has always, to my knowledge, in the past been permitted for adequate examination of even the most critical and urgent resolution, been available on this occasion, the result might have been a better resolution. Such a short delay would not, I think, have done harm, but, in the long run, would have helped those in the area who need help most at this time.

Why do I say this? In the first place, our resolution, though it has been adopted, is only a recommendation, and its moral effects would have been greater if it could have received a more unanimous vote in this Assembly--which might have been possible if there had been somewhat more delay.

Secondly, this recommendation which we have adopted cannot be effective without the compliance of those to whom it is addressed and who have to carry it out. I had ventured to hope that, by a short delay and in informal talks, we might have made some headway, or at least have tried to make some headway, in securing a favourable response, before the vote was taken, from those governments and delegations which will be responsible for carrying it out.

I consider that there is one great omission from this resolution, which has already been pointed out by previous speakers--more particularly by the representative of New Zealand, who has proceeded me. This resolution does provide for a cease-fire, and I admit that that is of first importance and urgency. But, alongside a cease-fire and a withdrawal of troops, it does not provide for any steps to be taken by the United Nations for a peace settlement, without which a cease-fire will be only of temporary value at best. Surely, we should have used this opportunity to link a

cease-fire to the absolute necessity of a political settlement in Palestine and for the Suez, and perhaps we might also have been able to recommend a procedure by which this absolutely essential process might begin.

Today we are facing a feeling of almost despairing crisis for the United Nations and for peace. Surely that feeling might have been harnessed to action or at least to a formal resolve to act at long last and to do something effective about the underlying causes of this crisis which has brought us to the very edge of a tragedy even greater than that which has already taken place. We should then, I think, have recognized the necessity for political settlement in this resolution and done something about it. And I do not think that, if we had done that, it would have postponed action very long on the other clauses of the resolution. Without such a settlement, which we might have pushed forward under the incentive of fear, our resolution, as I see it, may not make for an enduring and real peace. We need action, then, not only to end the fighting but to make the peace.

I believe that there is another omission from this resolution, to which attention has also already been directed. The armed forces of Israel and of Egypt are to withdraw, or if you like, to return to the armistice lines, where presumably, if this is done, they will once again face each other in fear and hatred. What then? What then, six months from now? Are we to go through all this again? Are we to return to the *status quo*? Such a return would not be to a position of security, or even a tolerable position, but would be a return to terror, bloodshed, strife, incidents, charges and counter-charges, and ultimately another explosion which the United Nations armistice commission would be powerless to prevent and possibly even to investigate.

I therefore would have liked to see a provision in this resolution--and this has been mentioned by previous speakers--authorizing the Secretary-General to begin to make arrangements with member governments for a United Nations force large enough to keep these borders at peace while a political settlement is being worked out. I regret exceedingly that time has not been given to follow up this idea, which was mentioned also by the representative of the United Kingdom in his first speech, and I hope that even now, when action on the resolution has been completed, it may not be too late to give consideration to this matter. My own government would be glad to recommend Canadian participation in such a United Nations force, a truly international peace and police force.

We have a duty here. We also--or, should I say, we had--an opportunity. Our resolution may deal with one aspect of our duty--an urgent, a terribly urgent, aspect. But, as I see it, it does nothing to seize that opportunity which, if it had been seized, might have

brought some real peace and a decent existence, or hope for such, to the people of that part of the world. There was no time on this occasion for us to seize this opportunity in this resolution. My delegation therefore felt, because of the inadequacy of the resolution in this respect, that we had no alternative in the circumstances but to abstain in the voting.

I hope that our inability to deal with these essential matters at this time will very soon be removed and that we can come to grips with the basic core of this problem.

On November 3, during another meeting of the emergency session of the General Assembly, Mr. Pearson sponsored a resolution calling upon the Secretary-General of the United Nations to submit, within 48 hours, a plan for the establishment of an international force to guarantee the maintenance of peace in Egypt while a permanent settlement of the Middle East problem could be negotiated. Mr. Pearson's text was as follows:

The immediate purpose of our meeting tonight is to bring about as soon as possible a cease-fire and a withdrawal of forces, in the area which we are considering, from contact and from conflict with each other. Our longer range purpose, which has already been referred to tonight and which may ultimately, in its implications, be even more important, is to find solutions for the problems which, because we have left them unsolved over the years, have finally exploded into this fighting and conflict.

So far as the first and immediate purpose is concerned, a short time ago the Assembly passed, by a very large majority, a resolution which is now a recommendation of the United Nations Assembly. And so we must ask ourselves how the United Nations can assist in securing compliance with the terms of that resolution from those who are most immediately concerned and whose compliance is essential if that resolution is to be carried out. How can we get from them the support and co-operation which is required, and how can we do this quickly?

The representative of India has just read to us, on behalf of a number of delegations, a very important resolution which deals with this matter. In operative paragraphs 2 and 3 of that resolution, certain specific proposals are made with a view to setting up machinery to facilitate compliance with the resolution. I ask myself the question whether that machinery is adequate for the complicated and difficult task which is before us. I am not in any way opposing this resolution which we have just heard read. I appreciate its importance and the spirit in which it has been put forward. But I do suggest that the Secretary-General be given another and supplementary--not conflicting, but supplementary--respon-

sibility: to work out at once a plan for an international force to bring about and supervise the cease-fire visualized in the assembly resolution which has already been passed.

For that purpose my delegation would like to submit to the assembly a very short draft resolution which I venture to read at this time. It is as follows:

"The General Assembly, bearing in mind the urgent necessity of facilitating compliance with the resolution (A/3256) of 2 November, requests, as a matter of priority, the Secretary-General to submit to it within forty-eight hours a plan for the setting up, with the consent of the nations concerned, of an emergency international United Nations force to secure and supervise the cessation of hostilities in accordance with the terms of the above resolution."

I would assume that during this short period the Secretary-General would get into touch with, and endeavor to secure co-operation in the carrying out of the earlier resolution from the parties immediately concerned--whose co-operation, I venture to repeat, is essential--as well as endeavoring to secure help and co-operation from any others whom he thinks might assist him in this vitally important task.

This draft resolution which I have just read out, and which will be circulated shortly, has an added purpose of facilitating and making effective compliance with the resolution which we have already passed on the part of those whose compliance is absolutely essential. It has also the purpose of providing for international supervision of that compliance through the United Nations, and finally, it has as its purpose the bringing to an end of the fighting and bloodshed at once, even while the Secretary-General is examining this question and reporting back in forty-eight hours.

If this draft resolution commended itself to the General Assembly and I suggest that it is not in conflict with the draft resolution which has just been read to us by our Indian colleague--and if it were accepted quickly the Secretary-General could at once begin the important task which the draft resolution gives him. I apologize for adding to his burdens in this way, because they have already been added to in the immediately preceding draft resolution, but we know that he can carry burdens of this kind both unselfishly and efficiently.

Meanwhile, during this period of forty-eight hours we can get on with our consideration of and decision on the United States draft resolutions and other draft resolutions before the General Assembly which deal with this grave and dangerous situation which confronts us both in relation to its immediate as well as its wider and perhaps even more far-reaching aspects.

On November 4, Mr. Pearson made the following statement in the Assembly on the situation in Hungary:

Mr. President, notwithstanding the words of the Soviet Delegate, in the past twenty-four hours we have witnessed in Hungary one of the greatest and grimmest betrayals in history. This is a sad and desolute moment for all who have been striving for the extension of freedom and justice throughout the world.

It is, first of all, and above all the people of Hungary who have been betrayed--the students, the peasants, the workers, whom the Soviet Union so frequently professes to champion. For ten years all the resources of a great empire were used to weaken and destroy all feeling for national and personal freedom in Hungary and the other countries of Eastern Europe on whom Communist regimes had been imposed after World War II by foreign forces. But events in Hungary--and elsewhere--have dramatically revealed the results of these ten years of suppression and indoctrination to be failure--often concealed behind a smiling facade of propaganda but failure. In Hungary the mask of a "people's Democracy" was stripped away; the myth of the monolithic unity of the Communist empire was destroyed. With incredible courage the Hungarian people proved once again, that man, once free, will never finally accept oppression and slavery, even though he may be forced to submit to it for long periods. Armed at first only with burning patriotism and a dauntless spirit the plain people of Hungary rose against the oppressor. And the world watched their struggle hopefully, as the new head of the government, Mr. Nagy, promised free elections, the abolition of the secret police, and negotiations for the withdrawal of foreign troops from Hungary. It seemed only a few days ago that the resolution and the sacrifices of these men and women would yield them freedom at last and bring them a government of their own choice. It was the dawn of a new day--the people had risen and their will would prevail, or so it appeared.

Then came the great betrayal. At the very time that, we have been told, negotiations were beginning between Soviet and Hungarian military leaders on a withdrawal of Soviet forces from Hungary, the Soviet Union was moving large new forces into position in Hungary where they could stamp out the rising flame of freedom and re-impose a ruthless and savage oppression. As the Soviet representative put it, the Nagy Government "fell apart". The Soviet Union's shameless disregard of its obligations under the Charter by its armed intervention has done more than kill Hungarians. It has betrayed the principles and ideals of our United Nations.

We have heard a great deal from the Representative of the Soviet Union in the past few days about the iniquities of aggression, the unpardonable sin of force exerted by large countries upon small countries in order to

bend them to the "imperialist" will, as he put it. There is no need for me to dwell now on the hypocrisy of the Soviet concern for one small nation when its own tanks and bombers are compelling an even smaller nation, which had briefly but gloriously raised its head, to put on the chains again. The Soviet Delegate has made the parallel between the situation in Egypt and the situation in Hungary. I would reply first, that the United Nations should judge each situation on its merits; but also, that there is no parallel between the intentions of free democratic nations with a long history of respect for the rights of other nations and those of a dictatorial regime which has not shown the slightest understanding of international collaboration or consideration for the rights of others. That difference is, I think, very clearly revealed in the present situation. The Governments of the United Kingdom and of France have stated firmly and publicly that they are prepared to hand over what they claim to be solely their police role to a UN force; a force which we are now trying to organize. It is quite true that there remain differences between the British and the French on the one hand, and a majority of this Assembly on the other, on the conditions in which this transfer can take place. Nevertheless, a transfer has been accepted as necessary and desirable and a promise has been given that it will take place.

Will the Soviet Union give us the same promise with respect to the military operations against Hungary. I put this question directly to the Soviet representative. He has told us that his Government has intervened in Hungary for a purpose, and that this purpose is ostensibly to protect the interest of the Hungarian people themselves. He wants to protect the Hungarian people, so he says, from a reactionary Fascist clique. No one in this Assembly has any desire whatsoever to see the long-suffering Hungarian people delivered from the tyranny of one clique into that of another. All we ask in this resolution which is before us is to let them form the kind of free national government they want. How can this best be done? Surely by an impartial and disinterested international authority which can hold the ring and enable all the Hungarian people, without fear or reprisal, to establish a free and democratic government of their own choice. We have before us a proposal that the Secretary General investigate the situation. Where else can such an authority come from than the UN? The Soviet Government recognize that? If not, why not?

Yesterday my Government proposed the intervention of a UN force for peaceful purposes in the Middle East, and that proposal secured the overwhelming support of this Assembly; no single vote was cast against it. Why should we not now establish a UN mission or UN supervisory machinery of an appropriate kind for

the situation in Hungary? I ask the Soviet Union to accept this chance, perhaps this last chance, to prove its good faith to the world. It is not only the Hungarian people who will be the victims of a refusal. It is a Soviet claim--very often repeated--to be the only true champion of peaceful co-existence; the only real foe of imperialism; the opponent of colonialism. If they refuse this UN investigation and examination into conditions in Hungary, never again will they be able to talk about colonial oppression or imperialism except in terms of the most blatant hypocrisy, recognised by everyone as such.

There is also the last chance of the USSR to show that their collective security system in Eastern Europe is something more than a collection of master and satellites. In this respect, what a contrast it is to an association of free states banded together on a basis of free co-operation and any one of which may withdraw if it wishes. Their system, if they persist in this aggressive intervention stands exposed for all the world to see, resting on nothing but brute force and despotic control.

Mr. President, we owe it to the people of Hungary, we owe it to the UN, we owe it to freedom to condemn in the strongest terms what we know has happened and to investigate through the UN what is happening now.

Surely Mr. President, no single member of this Assembly will refuse to join in that condemnation, and in the request for this investigation.

Perhaps at this moment we cannot do more than this, but we surely cannot do less.

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Mr. J.W. Pickersgill, Minister of Citizenship and Immigration, made the following statement November 6:

With the approval of the Prime Minister and in accordance with the general policy of the Government respecting refugees, the Canadian Immigration Office in Vienna has been instructed to give priority to applications from refugees from Hungary. Assisted passage loans will be available to such immigrants on the same terms as to other immigrants from Europe.



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THE MID-CANADA LINE

Latest developments of the Department of National Defence in the field of aviation were reviewed by the Hon. Ralph Campney October 29 in an address to the Air Industries and Transport Association of Canada.

In his speech the Minister of National Defence dealt at some length with the Mid-Canada Line and the overall air defence system which has been established on a co-operative basis by the United States and Canada.

Excerpts from Mr. Campney's address follow:

"This year has seen substantial progress, in the field of aviation, in the Department of National Defence. Might I just remind you of a few of the major developments there.

"We have made plans for adding three new CF-100 fighter squadrons in Canada to the nine squadrons which were fully equipped with CF-100 aircraft last year, which will make twelve in all.

"We are about to commence fulfilment of our undertaking to equip four of our squadrons in Europe with CF-100 aircraft in conformity to the recommendations of SHAPE. I expect to bid the first squadron bon voyage at Uplands tomorrow afternoon. The other three will go forward next year.

"Production of the new submarine hunter, the CS2F-1, is now under way in Canada and I had the honour of taking delivery on behalf of the Royal Canadian Navy of the first aircraft earlier this month.

"Development of the larger longer range anti-submarine aircraft, the CL-28, is pro-

ceeding satisfactorily. We expect that the prototype of this airplane, the largest ever to be built in Canada, will fly next year.

"Successive improvements to the CF-100 and the Sabre jet--improvements which reflect great credit to the Canadian aviation industry--have maintained these aircraft at a highly effective level.

"The development of the new supersonic all-weather fighter, the CF-105, and the PS13 engine which will power it, are both progressing satisfactorily....

"This year has also been marked by the re-organization of the R.C.A.F. auxiliary involving a re-assignment of highly important duties of that branch of Canada's air defence. Six of the auxiliary squadrons are being equipped with T-33 and Sabre jets.

"These are all significant, forward-looking developments in the aviation picture, important for the defence of Canada, important for the success of your industry and important as representing our effort to keep our aircraft modern and up to date in a field where second best is not good enough.

"But perhaps the greatest single event which has taken place in recent years and the most important indirectly to your industry has been the construction of the Mid-Canada warning line, extending roughly along the 55th parallel from British Columbia to Newfoundland.

"The building of the Mid-Canada line has presented an unusual challenge to Canadian

(Over)

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contractors, not only because of the formidable obstacles to construction, but also because of the difficulties of moving supplies and construction crews into many of the remote sites on this line. I should like to pay tribute to the Canadian commercial air carriers whose effective and whole-hearted co-operation was so essential to the successful development of this project.

LARGE-SCALE AIRLIFT

"In all, twenty-six Canadian airlines have taken part in support of the Mid-Canada building programme. Already they have achieved a most impressive record in moving passengers and material into northern sites under difficult, trying and, in many cases, previously unknown conditions and over unknown terrain.

"From the assembly point at Shefferville near Knob Lake more than 11,000 tons have been airlifted into various stations of the line. Nine thousand tons of material have been flown from Val d'Or to assembly points at Great Whale and Winisk. And more than 2,000 tons have been carried by air from supply points in the west to intermediate stations there. Some 25,000 passengers have been carried as well during this operation.

"In addition to this impressive record the R.C.A.F. has also made a substantial airlift contribution with planes and helicopters.

"Included in this great air armada were 19 different types of aircraft.

"By the time the Mid-Canada line is finished, more than fifteen million dollars will have been paid to commercial carriers for their part in this airlift.

"I cannot speak too highly of the importance of the airlift supplied by the members of your association and aviation companies generally, especially for the eastern and central part of the line where the sites are for the most part more remote and more forbidding than the western sites. All this achievement constitutes a bright chapter in your story. You can rightly feel proud and satisfied with your accomplishment, so important to the overall success of this tremendous project.

"You can feel, too, a sense of real satisfaction in having participated in probably the greatest single co-operative all-Canadian venture to roll back the frontiers of this country which has ever taken place.

"Because of the Mid-Canada project, vast little known areas of our north have been charted and opened up. Today planes are landing on distant lakes and on airstrips blasted out of rock which a few years ago were merely a part of the great unknown.

"The building and manning and operation of the Mid-Canada line will bring to life many areas of Canada dormant since almost the beginning of time. The log books of Mid-Canada stations will be, for many communities in Canada, the first pages of their future histories.

"And the immediate impact on the Canadian economy has not been inconsiderable. The construction of this system has called heavily upon the resources of ten general contractors, scores of sub-contractors and thousands of persons in the building trades. It has provided employment directly for upwards of 5,000 persons, and indirectly many thousands more in Canada's manufacturing and supply industries.

"Some three years ago when the Mid-Canada system was authorized, its cost was estimated at \$170 million. It now seems probable that, with rising costs and some problems which were not foreseen at that time, the final outlay will be of the order of \$200 million.

TREMENDOUS TASK

"The task has indeed been a tremendous one.

"When this great undertaking was first proposed, I, like many others was almost appalled by the magnitude and complexity of the job, the difficulties which must be faced, the problems which must be solved. The importance of the part to be played by aircraft was of course realized from the start.

"To begin with, most of the territory designated for the radar sites was uninhabited and inadequately mapped, if mapped at all, and detailed information about the topography of specific areas was a first requirement.

"To remedy this lack of knowledge the R.C.A.F.'s 408 Photographic Squadron was given the task of photographing a strip of territory forty miles wide right across Canada--a sizeable project in itself.

"Huge maps, accurately showing every hill, every lake, every contour, were then printed at a scale of one mile to the inch.

"This task was so big that it not only absorbed the map making capabilities of the Department of National Defence for one year and the aerial photographic and radar profiling capabilities of 408 Squadron for many months, but it also required considerable assistance from civilian aerial photographic agencies.

"The final location of each site in the early warning line was determined by detailed examination of these large scale maps and of on-the-spot surveys by ground parties which were landed by helicopter on frozen lakes in a movement known as Operation Rock Top One.

"Then the problems of supply and construction began. Materials were flown into lakehead sites by civilian aircraft for the construction of camps at the lakes and on the hill-top radar sites. It took three and one-half tons of material and three to four days to build each lakehead site. On the average, it required twenty round trips to transport material from the lakes to these sites.

"That was only the beginning. Then began the huge task of moving in building material and equipment for the whole system. Over the entire length of the Mid-Canada line a total of 200,000 tons was transported by ship, by

AGREEMENT ON SALMON CONSERVATION: Agreement was reached October 25 by Canadian and United States delegates at a conference called to work out means for co-ordinating national and joint conservation programmes for pink and sockeye salmon of common concern in the Juan de Fuca-Fraser River area of the Pacific Coast. The conference agreed that this objective might best be achieved by expanding the authority of the International Pacific Salmon Fisheries Commission through amendment of the Sockeye Salmon Convention of 1930, thus permitting the Commission to investigate the pink salmon stocks of the Fraser River and regulate the fishery.

The Commission's objective would be to maintain the pink salmon stocks at the level of maximum sustainable productivity and to ensure insofar as practicable an equal division of the catch of pinks by Canadian and United States fishermen. The Commission would be empowered to begin regulation of the fishery immediately after the entering into force of the Agreement.

The International Pacific Salmon Fisheries Commission, which was established in 1937, consists of three representatives each from Canada and the United States. It has had responsibility for the investigation and management of the sockeye salmon of the Fraser River system.

The agreement will provide for division of the catch and will increase the size of the Commission's Advisory Committee by adding one member from each country in order to give broader representation from the industry. The agreement also provides for a co-ordinated investigation by research agencies of the two governments and the Commission of pink salmon stocks which enter the waters described in the convention. It calls for a meeting in the seventh year after entry into force to review the results of this investigation and to determine what future arrangements concerning pink salmon conservation might be desirable. The agreement has been referred to the two governments for signature.

The conference also took note of the serious threat which off-shore net fishing poses to the conservation of both pink and sockeye salmon stocks and adopted a resolution calling this matter to the attention of the governments and recommending immediate action on their parts to solve the problem.

The conference was under the chairmanship of George R. Clark, Deputy Minister of Fisheries of Canada and head of the Canadian delegation. Vice-chairman was W.C. Herrington, of the Department of State, Washington, D.C., who headed the United States delegation. Representatives of the governments of both countries, the Department of Fisheries of the State of Washington, and of fishermen, fish processors and vessel owners from the State of Washington and British Columbia took part in the discussions.

ELECTRONIC BUOYS: Miniature floating radio stations are going to help Canadian and United States scientists study the currents of the Bay of Fundy.

The immediate results of the study will be to discover the drift of surface water so that fisheries scientists can determine the origin of herring stocks in the Bay. They hope eventually to be able to make long-range predictions of herring movements and abundance.

Scientists of the Fisheries Research Board of Canada at its Biological Station, St. Andrews, N.B., the United States Fish and Wildlife Service, and the Wood's Hole Oceanographic Institute are co-operating in the study, which is of great importance to the large sardine and herring industry of the two countries.

The Canadian scientists have set adrift three "transponding" drift buoys in the region of Trinity Ledges and Lurcher Shoals in southwestern Nova Scotia. They are allowed to drift in the Fundy currents for two weeks during which time they are mothered by the Federal Department of Fisheries vessel "Harengus". A Fish and Wildlife Service PBY aircraft will assist in spotting the buoys daily.

The pole-life buoys--20 feet long and six inches in diameter--are weighted so that only two feet of the buoy shows above water. To it is attached a 12-foot long ship antenna.

Inside the cylinder is a modern miracle of radio. It is a miniature transmitting station which not only transmits a signal twice a day to the "Harengus" but also will automatically answer the mother ship whenever it calls the drift buoy. The buoy transmitter sends a signal of 15 seconds duration on a frequency of 2,398 kilocycles.

The buoys are international orange in colour with white stripes. Plastic tags are attached asking the finder to return the buoys should they become lost. An appeal has also been made to mariners and fishermen asking them to report sightings of the buoys, giving the code number of the buoy, the time, date and position.

The experiments will be repeated each month in order to furnish the scientists with a precise measurement of the drift. This will augment the 300 drift bottles which are already floating in the Bay of Fundy with messages inside telling the finder that a reward awaits him for reporting the bottles and other information to the Biological Station.

The Bay of Fundy herring industry is very valuable to Canada's east coast fisheries, as well as to the New England States. Sardines--small herring--canned in the Maritimes had a market value in 1955 of \$2,960,000. The total landings of all herring by Canadian vessels in the Bay of Fundy amounted to 33,150,000 pounds with a landed value of \$528,000. Herring, other than sardines, is used for human consumption, fish meal, bait, and animal food. The scales are used in the making of pearl essence.

GOING UP: Erection of structural steel for the new airport terminal at Gander Airport, Newfoundland, is now underway. The \$2,700,000 building is expected to be closed in before the end of January to permit work to continue inside for the rest of the winter. Completion date at present is anticipated in the mid-winter of 1957-58.

The airport terminal is being built in that section of the airport where maximum future expansion is possible--at the intersection of two of the three runways. All the former air force hangars and buildings in this area, many of which had been converted into dwellings, have been demolished and new housing accommodation provided in the new Gander townsite for their occupants. When the project is completed, the old terminal building will revert to its original use as a hangar with accommodation provided for airline operating staffs.

Gander, strategically situated on the main Great Circle route between centres of population of North America and Europe, offers an ideal refuelling and servicing point for aircraft crossing the North Atlantic and airport facilities are being planned accordingly.

One new runway of 8,200 feet was finished early this year and another runway rebuilt and extended to 8,600 feet from 6,000 feet. A third runway is 6,200 feet long. The new aircraft parking area of 35 acres is expected to be finished next summer.

An underground refuelling system, one of the most advanced of its kind in North America, is being built for the constant stream of aircraft stopping at Gander. There will be a variety of waiting rooms to accommodate domestic and international traffic in the terminal, and restaurant and shopping facilities. Passengers may relax in a landscaped garden in a courtyard enclosed on three sides. A separate suite will be provided for internationally distinguished travellers and their parties.

Construction of the new airport terminal is involving the installation of the latest in navigation aids. A signal centre is being erected about two miles away for the Transport Department's radio operations. Emphasis is being placed on new equipment to speed up communication between the airport and aircraft and between the airport and other ground stations. This building will be about 60' by 100' and two stories high.

An omni-range site has been selected for installation next spring and the four buildings housing the Instrument Landing System equipment will be relocated to serve the new runway. A new Ground Control Approach installation of the latest type is to go into operation soon to replace the existing facility.

The airport's main electrical power house is being rebuilt to supply service to the airport terminal and its facilities. The Gander townsite will also draw its electricity from the airport's power house, the only available source in the area.

TO AUSTRALIA: Three officials of the Canadian Broadcasting Corporation are representing Canada at the Commonwealth Broadcasting Conference in Sydney, Australia, November 7-28. They are Charles Jennings, Ottawa, director of programmes and assistant controller of broadcasting, J.E. Hayes, Montreal, chief engineer, and R.S. James, Toronto, assistant supervisor of farm and fisheries broadcasts.

The Australian Broadcasting Commission is the host organization of the Conference, which will discuss common problems, exchange information on technical problems and broadcasting generally, and formulate joint projects. A special feature of the Sydney meeting will be a study on rural broadcasting, a field in which Canada, with its Farm and Fisheries programmes and its National Farm Radio Forum, has established a world-wide reputation. In 1954, UNESCO published a detailed study of this Canadian institution as a unique example of broadcasting development.

* * *

ENVOY ACCREDITED: His Excellency Dr. Thomas Joseph Kiernan presented his letter of credence October 31 to his Excellency the Governor General as Ambassador Extraordinary and Plenipotentiary of Ireland to Canada. The ceremony took place at Government House.

Dr. Kiernan was born in Dublin in 1897 and educated in Ireland and in London. After receiving his degree of Doctor of Philosophy from the University of London, he was Inspector of Taxes for the Department of inland Revenue for five years and later Director of Radio Eireann for six years. Since 1924 he has represented his country in England, Australia, the Vatican and in 1955, he was accredited Minister Plenipotentiary to the Federal Republic of Germany, with the personal rank of Ambassador.

* * *

NEW LIGHTSHIP: A new lightship has been launched to replace the 51-year old Sambro lightship at the entrance to Halifax Harbour. The new vessel is similar in most details to the one on location at Lurker shoal in the Bay of Fundy, and built in 1950. The foremast, however, will be in the form of a tripod to carry the much more powerful light mounted on top of it. Like her sister ship, the new Sambro lightship was built to plans and specifications drawn up by the Department of Transport. It is likewise to be powered entirely by electricity, created by diesel driven generators.

Special equipment aboard ship to enable it to carry out its duties as a lightship, in addition to the main light and standby light mounted on the foremast, will be the fog horn, radio beacons, radio telegraphy and radio telephone direction finder, directional loud-hailing speaker, fire fighting equipment and motor driven life boats, and other life-saving equipment.

THE MID-CANADA LINE

(Continued from P. 2)

rail, by aircraft and by tractor train. I have already expressed by admiration of the outstanding performance of the air carriers. It really constitutes an epic in transportation.

"Throughout the construction phase the builders have worked against time and conquered terrain, weather and the vagaries of perma frost.

"This great project involving so many challenging difficulties, such great effort and expense, was only undertaken, you may be sure, after careful consideration of its value to the defence of the whole Canada and United States region.

"With the development of long-range bombers flying faster and higher than ever before, and the advent of thermonuclear weapons, it became evident that we must provide maximum warning of any attacks which might be made on this region, and thus gain time to launch early defensive action and bomber retaliation as well as to give warning to the civilian population.

AIR DEFENCE SYSTEM

"An overall air defence system was accordingly developed, including the following principal elements in this country:

1. The Pinetree warning and control system constructed across the continent, for the most part north of the most heavily populated parts of Canada. This system has been in operation since 1954.

2. The Mid-Canada line, construction of which was undertaken by Canada as I have mentioned to provide supplemental warning and to help interceptor forces pinpoint invading planes.

3. The distant early warning line now being built at the cost of the United States far to the north along the shores of the Arctic to provide early warning of approaching hostile planes.

"The three lines, when fully operative, will constitute a co-ordinated system interlocked by an elaborate and extensive communications network, the whole designed to alert the continental air defence system and civil defence organizations as well should a hostile air attack be launched against this continent.

"The whole system was considered, planned and organized by Canada and the United States working together. In that connection I would like to emphasize the close team work which has existed between Canada and the United States with respect to the aircraft warning and control system, the same close co-operation which has obtained in all our joint defence ventures.

"In these dangerous times the defence of the free world is essentially a matter of team work, and if that team work is to be effective, no country can afford to permit narrow na-

tionalistic pride to undermine its security or that of its allies.

"But I should like to make this point unmistakably clear--Canada works in defence matters with the United States in a self-respecting partnership. Our sovereignty is fully maintained.

"On occasion a flurry arises over some imagined threat to Canadian sovereignty. Such an event occurred some months ago when a misleading article in one of our national magazines gave wide-spread currency to unfounded allegations and fears that Canada's control of the DEW line area was in danger.

"Of more recent occurrence was a news agency story with the ridiculous statement that senior Canadian government officials planning to visit the DEW line had to submit to a security check by United States courses. A simple check with officials of my department would have shown how absurd it was.

"The fact is that for Canadian visitors to the DEW line, security clearance is given by the appropriate Canadian authorities, and for United States visitors, the clearance is given by United States authorities. In other words, both countries operate on a reciprocal basis with respect to their own people.

"When Canadian ministers and officials go to the DEW line, there is no question, therefore, of their asking United States permission to do so. But it is essential that they inform the people responsible for making the arrangements in advance to ensure that accommodation, which is scarce in the North, is available for them on arrival. This is only common sense and ordinary courtesy.

"But Canada, not the United States, is responsible for authorizing visits of Canadians to the DEW line in Canada.

"I mention these incidents only because Canadian and American interests are so closely interwoven in this great project for the benefit of us both, and because the co-operation in respect of it has been on a scale unique between neighbouring nations.

SOVEREIGNTY MAINTAINED

"I know of no instance in this whole project where the slightest difficulty has arisen or the slightest attempt been made by our southern neighbours to impair our sovereignty in the North or to assert any claims incompatible with our national pride as Canadians.

"That being so, I think that any attempts to raise prejudices and to create ill-feeling between us and the people of the United States are mischievous and hurtful and should be deprecated. The world needs more, rather than less, of the spirit of close co-operation which exists between Canada and the United States.

"While I'm talking about the DEW line, I think I should say a word also about the idea some people seem to have that its construction has been 100 per cent a United States opera-

tion. It is true, of course, that the United States is paying for the construction and initial operation of the DEW line, just as Canada is paying for the Mid-Canada line. Nevertheless, Canadians have participated extensively in the construction of the DEW line, as many of your members know, and will participate increasingly in its operation. For example, in the Canadian sector of the line the main construction contracts were awarded to two Canadian firms employing Canadian labour. Great numbers of sub-contracts have gone to Canadian firms for materials, goods and services of all kinds, and Canadian air carriers have taken on the main burden of the air transport to the DEW line. Most of the people operating it will be civilians, and in the Canadian section these will be mainly Canadians, as you may have noted from recent indications in the press.

"For some two years now, month after month, I have read the progress reports on the building of the Mid-Canada line. These reports have charts attached setting out spaces for all the many things to be done. Month by month the blacked-in areas of completion moved across these charts until now the great majority of sites are well on the way to completion. The myriads of problems have been overcome.

"And as we move rapidly towards the completion of the Mid-Canada project--as all the phased programmes mesh together--as the electronic and other equipment goes into the line, as civilian and military personnel are being trained to man the line, as supplies to maintain the line are being brought onto the sites a whole new organization is coming into being, which will strengthen Canada's own defence programme and make an important contribution to the air defence effort of North America and hence of NATO itself.

VISIBLE SYMBOL

"Success stories like the Mid-Canada line are a visible symbol of what Canadians, working together, can achieve. Such projects challenge us all to meet with similar imagination, courage and energy many other major projects yet to be carried out in our country--not to prevent war--but to make this a more prosperous and productive land.

"As a result of the establishment of the Mid-Canada sites along the 55th parallel, Canadians are moving significantly closer to living and working in parts of this great resourceful land that until now have been little known and little explored. And civil air carriers are likewise becoming familiar with a vast new area of operations.

"In conclusion, Mr. Chairman, may I express the deep thanks of the Department of National Defence for the constant co-operation of your Association which has been so helpful to the Department. You made kind reference in your report to the team work between the members of your Association and the Defence Department.

The measure of that collaboration in all stages of aircraft production and use--planning, design, construction and maintenance--is clearly visible in the end product--the air power of which we are so proud.

"Your assistance in the NATO aircrew training programme and refresher courses is equally appreciated, as is the helpful work of your industrial council and your search and rescue committee. I cannot say enough about the importance of your help to the R.C.A.F. through your technical committee and your transport council. This particularly applies to the success of the Mid-Canada airlift.

"Your contribution to this national effort could only come from a truly representative national organization."

* * * *

SALARIES HIGHER: A moderate increase in average office salaries in manufacturing during 1955 has been reported in a study covering the four cities of Montreal, Toronto, Winnipeg and Vancouver. Increases in average office salaries were mostly within the range of one to four dollars per week. Approximately 6,700 manufacturing establishments with about 200,000 office employees were covered by the survey.

According to results of the survey average salaries for most office occupations in 1955 varied only slightly as between Montreal, Toronto and Vancouver, but were substantially lower in Winnipeg. Highest average salaries among male occupations were for senior clerks and senior bookkeepers; among female occupations, for private secretaries, senior clerks and senior bookkeepers. Among female occupations junior typists, filing clerks and junior clerks have the lowest averages in the four cities.

An indication of the upward salary trend in 1955 may be obtained by comparing average weekly salaries for male office clerks, the largest occupational class, in the four cities covered by the survey. The average rates for 1954 and 1955 were as follows:

Average Weekly Salaries - Male Office Clerks

	Montreal		Toronto	
	1954	1955	1954	1955
Senior	\$71.92	\$75.40	\$71.15	\$76.19
Intermediate	58.17	60.15	56.78	57.85
Junior	38.90	40.07	43.01	43.56

	Winnipeg		Vancouver	
	1954	1955	1954	1955
Senior	\$68.83	\$70.53	\$75.53	\$76.63
Intermediate	53.19	52.88	58.34	60.74
Junior	36.62	38.83	38.56	42.89

NEWCOMERS ON INCREASE

Statistics released by the Department of Citizenship and Immigration show that 98,761 immigrants entered Canada in the first eight months of 1956, an increase of 19,512 over the total for the corresponding period last year.

By August 31, 1956, Canada had received 56,804 workers, as against 43,716 in the first eight months of 1955, and 41,957 dependents, as against 35,533 in the same period a year ago.

Of the 56,804 workers, 18,610 were skilled or had some training in a craft, 5,805 were in professional occupations, and 8,092 were listed in semi-professional categories.

Included among the immigrants with professional training were 684 teachers and professors, 1,046 engineers, 240 doctors, 770 graduate nurses, 275 accountants, 126 architects, 246 laboratory technicians, 156 chemists, 18 dentists, and 1,426 others in a variety of professional occupations.

Farmers and farm workers totalled 5,496; service workers, including nurses' aides and domestic servants, 8,034; and general labourers 7,211.

ENDS JAPAN VISIT: The Right Hon. C.D. Howe, Minister of Trade and Commerce and Minister of Defence Production, left Tokyo today following a sixteen-day goodwill and trade mission to Japan. He was accompanied by Mr. Mitchell W. Sharp, Associate Deputy Minister of Trade and Commerce.

During his stay in Japan, Mr. Howe had an audience with the Emperor, and called on the Prime Minister, the Foreign Minister, the Minister of International Trade and Industry and the Minister of Agriculture. He also met a number of businessmen, individually and as members of various trade associations. This enabled him to review the results of the Agreement of Commerce, signed by Canada and Japan on March 31, 1954.

As Mr. Howe is particularly interested in the use of Canadian wheat in Japan, he visited a flour mill in Yokohama and a bakery at Akabane. He also saw a textile mill at Osaka, a steel mill at Amagasaki, a shipbuilding yard at Kobe, and a brocade manufacturing company at Kyoto.

Various functions in which Mr. Howe participated included a dinner by the Foreign Minister at the Imperial Hotel, Tokyo; a luncheon tendered by the Imported Foods Association, the Flour Millers Association, and the Bakers Association, at the Kasumigaseki Golf Club; a dinner by the Canadian Ambassador, Mr. T.C. Davis; a luncheon given by Governor Uchiyama, of the Kanagawa Prefecture at Geihinkan; a reception by the Economic Organizations, at the Kogyo Club, and a dinner by the Canada-Japan Society and the Japan-Canada Trade Council in the Imperial Hotel, Tokyo; a luncheon by the All-Japan Cotton Spinners' Association, at

U.S. ASSIGNMENT

The general upswing in immigration has not been reflected in an increased movement from the United States this year, although previous annual totals from the United States had risen steadily to a post-war peak of 10,392 in 1955.

With a view to increasing the flow of settlers from south of the border, two experienced immigration officials have been assigned to special duty in the United States. Starting November 26, they will visit the eight Consular offices maintained by Canada in the United States to study the types of applications for entry to Canada coming from different parts of the country and to survey manpower potentialities in the midwestern states and in New York and California.

Officers selected for the special assignment are, M.S. Cooke, settlement supervisor for Alberta, and H.W.P. Thompson, acting settlement supervisor for the Atlantic Provinces.

* * * *

Boseki Kaikan, and a dinner by the Osaka Prefectural and municipal Governments and the Osaka Chamber of Commerce; luncheons tendered by the Kobe Chamber of Commerce, and the Minister of International Trade and Industry, and a dinner by the Minister of Agriculture.

* * * *

NEW MINESWEEPER: HMCS Thunder, a Bay class coastal minesweeper, was launched October 27 at Port Arthur Shipbuilding Company, Port Arthur, Ont.

She was the second to be launched of six minesweepers being built for the Royal Canadian Navy to replace those turned over to France in 1954 under the NATO Mutual Aid Agreement.

The first launching under the programme was that of HMCS Fundy, which commissions at Lauzon, P.Q., on November 20. At present eight Bay class minesweepers are in service with the RCN and six are with the French Navy.

* * * *

NEW GOVERNMENT: When Nova Scotia electors went to the polls October 30 they ended 23 years of Liberal administration in the Atlantic Province.

Victors in the provincial election were the Progressive Conservatives led by Robert L. Stanfield, who captured 23 of the 43 seats at stake.

Party standing was as follows:

	1956	1953
Progressive Conservative	23	12
Liberal	19	23
C.C.F.	1	2
	<hr/>	<hr/>
	43	37

VISITS OTTAWA: The Australian Minister for External Affairs, the Rt. Hon. R.G. Casey, was in Ottawa November 4-7. Accompanying him were Mrs. Casey, Mr. Brian Hill of the Australian Mission to the United Nations in New York, and Mr. Richard Gardner, his private secretary, all of whom were guests at Government House.

During the visit, Mr. and Mrs. Casey were entertained by the Secretary of State for External Affairs and Mrs. Pearson and by the acting High Commissioner for Australia and Mrs. T.A. Pyman. Mr. Casey held a press conference and called on Prime Minister St. Laurent.

* * * *

INDUSTRIAL RESEARCH: Canadian industry spent a total of \$65,870,000 in 1955 on research-development, according to an advance release of results of a recent survey conducted by the Dominion Bureau of Statistics in co-operation with the National Research Council covering nearly 2,500 of the larger Canadian companies. Anticipated expenditures for the current year are 20 per cent larger at an estimated \$79,305,000.

The survey covered basic and applied research in the sciences, including medicine, and in engineering, and design and development of prototype and processes. Excluded were expenditures on quality control, testing of products, testing of assembly-line and production techniques, market research, sales promotion and services, geological and geophysical exploration, and research in the social sciences.

On an industry basis, largest research-development expenditures in 1955 were in transportation equipment at \$16,555,000. Outlays in this field are expected to rise to \$22,770,000 during this year. Next in order were electrical apparatus and supplies at \$10,780,000 in 1955 (\$11,895,000 anticipated for 1956) and chemical products at \$7,845,000 (\$10,135,000).

Expenditures of other industry groups in 1955, in descending order of magnitude, with anticipated 1956 outlays in brackets, were as follows: products of petroleum and coal, \$4,-705,000 (\$5,655,000); non-ferrous metal products, \$4,530,000 (\$5,110,000); paper products, \$4,050,000 (\$4,595,000); transportation and public utility operations, \$3,350,000 (\$3,-370,000); iron and steel products, \$3,085,000 (\$3,295,000); mining, quarrying and oil wells, \$3,045,000 (\$3,620,000); rubber products, \$2,715,000 (\$2,995,000); foods and beverages, \$1,705,000 (\$1,800,000); textile products, \$1,160,000 (\$1,295,000); non-metallic mineral products, \$1,100,000 (\$1,070,000); other non-manufacturing, \$700,000 (\$930,000); other manufacturing, \$295,000 (\$515,000); leather products, \$155,000 (\$170,000); wood products, \$95,000 (\$85,000).

Out of the total 1955 expenditures of \$65,-870,000, Canadian companies spent \$52,000,000 within their own organization and \$12,000,000 outside of Canada. The remainder went to other firms and to universities in Canada.

* * * *

MONTHLY PEAK: Canadian labour income reached another new monthly high in August. At \$1,229,000,000 the month's total was up \$6,-000,000 from July's \$1,223,000,000 and up \$122,000,000 or 11 per cent from last year's August total of \$1,107,000,000. This boosted the January-August total about 11 per cent to \$9,223,000,000 from \$8,311,000,000 a year earlier. All industrial divisions shared in the rise in August and the eight months as compared with a year earlier.

Group totals for August were as follows, in millions: agriculture, forestry, fishing, trapping, mining, \$98 (\$85 a year earlier); manufacturing, \$379 (\$351); construction, \$105 (\$93); utilities, transportation, communication, storage, trade, \$319 (\$284); finance, services (including government), \$286 (\$256); and supplementary labour income, \$42 (\$38).

January-August totals were: agriculture, forestry, fishing, trapping, mining, \$652 (\$586); manufacturing, \$2,962 (\$2,678); construction, \$696 (\$576); utilities, transportation, communication, storage, trade, \$2,385 (\$2,168); finance, services, \$2,206 (\$2,011); supplementary labour income, \$322 (\$292).

* * * *

40-HOUR WEEK: The trend toward the 5-day 40-hour week among manufacturing employees has continued in 1956, according to information released by Hon. Milton F. Gregg, Minister of Labour. The information was based on the annual survey of working conditions among manufacturing plant employees conducted by the Labour Department's Economics and Research Branch. The study showed that the proportion of factory workers on a 5-day week was 86 per cent in 1956 as compared with 84 per cent in 1955. Similarly, the proportion of factory workers having a 40-hour week or less was greater in 1956, 62 per cent as compared with 58 per cent in 1955.

Three-week vacations were reported for a larger proportion of plant employees in 1956, 63 per cent as compared with 60 per cent in 1955. Fifteen years service was found to be the most common requirement for three-week vacations. A jump was also reported in the number of workers in establishments granting four-week vacations, 10 per cent as compared with seven per cent in 1955. The study showed that the usual service requirement for four-week vacations was 25 years.

This annual survey of working conditions covers almost all manufacturing establishments having 15 or more employees. In the 1956 study, replies were received from about 6,200 establishments.



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THE EMPLOYMENT SITUATION

Employment during September continued at record levels for the month. Manpower supplies tightened moderately as the seasonal withdrawal of students and other short-term workers slightly exceeded the seasonal decline in labour requirements.

At September 22, 1956, the number of persons with jobs was estimated at 5,676,000, a decline of 147,000 from the previous month, (105,000 in agriculture, and 42,000 in non-farm industries). The number of persons without jobs and seeking work and the number registered for employment at National Employment Service offices declined moderately during the month.

In their joint news release on the employment situation, the Department of Labour and the Dominion Bureau of Statistics reported that the general shortage of many kinds of workers that has existed for the past three months continued unabated in September. Although harvesting and other seasonal activities were drawing to a close, this was offset by the withdrawal of students and other short-term workers from the labour force. Requirements for workers in the non-farm industries continued strong. While the demand for workers in residential construction has eased somewhat recently, requirements for non-residential building increased. An unsatisfied demand for loggers and many types of skilled construction workers continued to be reported from most parts of the country. The general scarcity of available workers is reflected in the October

1, 1956 classification of local labour markets which showed that all but two of the 109 local areas surveyed were either in balance or in shortage. The area classification was as follows (last year's figures in brackets): in shortage, 27 (2); in balance, 80 (95); in moderate surplus, 2 (11); in substantial surplus, 0 (1).

LABOUR FORCE

The civilian labour force totalled 5,773,000 in the week ended September 22, 1956, compared with 5,926,000 in the week ended August 18, 1956. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

Of the 5,773,000 in the labour force, 5,168,000 or 89.5 per cent worked full-time (defined as 35 hours or more) in the September survey week, 345,000 or 6.0 per cent worked less than 35 hours, 163,000 or 2.8 per cent had jobs but did not work during the survey week, and 97,000 or 1.7 per cent did not have jobs and were seeking work. Classed as not in the labour force are such groups as those keeping house, going to school, retired or voluntarily idle, too old or unable to work, and these numbered 4,979,000.

The survey provides additional information about those who worked less than full-time and those who had jobs but were not at work. Of the 345,000 who worked less than 35 hours in the September survey week, 237,000 or 4.1 per cent of the labour force, were regular part-

(Over)

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time workers, while the remaining 108,000 or 1.9 per cent of the labour force, included 30,000 who were ill, 22,000 on short-time, 16,000 off work because of bad weather, 11,000 who were on vacation and 29,000 with other reasons. Of the 163,000 or 2.8 per cent who had jobs but did no work during the survey week, 157,000 usually worked full-time and these included 69,000 on vacation, 55,000 who were ill and 17,000 laid off for the full week.

During the corresponding week in 1955, there were 5,633,000 in the labour force of whom 5,009,000 worked full-time, 319,000 worked less than 35 hours, 167,000 had jobs but did no work during the week, and 138,000 did not have jobs and were seeking work. There were 4,941,000 classed as not in the labour force.

JOB APPLICATIONS

Applications for employment on file September 20, 1956 at National Employment Service offices of the Unemployment Insurance Commission numbered 158,800 a reduction of 11,300 from the total for August 16, 1956 and 27,500 from the level at September 15, 1955. The decline from the previous month was due in large part to decreases in the totals for the Quebec Region (6,200) the Prairie Region (2,300) and the Pacific Region (2,300). Applications on file in the Atlantic and Ontario Regions remained virtually unchanged. Compared with the same month last year, all Regions participated in the overall decline in the following order: Quebec (10,800), Prairie Region (5,800), Pacific Region (5,200), Atlantic Region (3,400) and the Ontario Region (2,300).

Total employment in the Atlantic region changed very little during September from the record high level recorded in August. Persons with jobs were estimated at 536,000 at September 22, a decline of 7,000 from a month earlier but an increase of 17,000 from a year earlier. The decline was entirely the result of seasonal reductions in the labour force. Demands for construction and forestry workers eased slightly during the month as a result of the usual shift from farm to non-farm employment following completion of the hay harvest. Nevertheless, expansion of non-farm employment reduced available labour supplies to the lowest level in five years. Construction continued very active, resulting in heavy demands for skilled tradesmen. Only one of the 21 area in the region was reclassified during the month from the shortage to the balanced category. At October 1, the area classification was as follows (last year's figures in brackets): in balance 21 (17); in moderate surplus 0 (4).

Employment in Quebec dropped seasonally during September, the decline in agriculture outweighing gains in other activities. In the week ended September 22, persons with jobs

were estimated at 1,583,000, about 15,000 less than the previous month, but 32,000 higher than a year earlier. Registration for employment at National Employment Service offices declined moderately during the month to 2.7 per cent of the labour force, compared with 3.4 per cent a year earlier. Production and employment in manufacturing continued to expand steadily, led by significant increases in firms producing electrical apparatus, paper, aluminum and other non-ferrous metals. Employment rose to new records in most other industries, with a gain of 4 per cent over last year's high in mining, and 5 per cent in the trade and service industries. Unemployment in Drummondville declined sufficiently to bring it into the balanced category. With this change all areas in the region were in balance. At October 1 the situation was as follows (last year's figures in brackets): in balance, 24 (22); in moderate surplus, 0 (2).

CONSTRUCTION CONTINUES

In the Ontario region, employment showed continued strength during September despite the usual seasonal decline as students and other short-term workers withdrew from the labour force. Persons with jobs were estimated at 2,076,000 at September 22, a decrease of 75,000 from the previous month and an increase of 90,000 from a year earlier. Declines in farm employment and temporary layoffs in the automobile and related industries accounted for most of the decrease in total employment. Apart from a sizeable number of workers on extended layoff from the auto industry, unemployment remained at a low level. Most industries operated at or near capacity, with the exception of agriculture which was hampered by inclement weather and the automotive and farm implement industries where model changeover and end-of-season layoffs were continuing. Construction was maintained on a high level despite labour disputes. Labour shortages continued in mining, logging and agriculture as well as of engineers, draughtsmen, and certain construction, trade and service occupations. At October 1, classification of the 34 areas in the region was as follows: (last year's figures in brackets): in shortage, 7 (0); in balance, 25 (30); in moderate surplus, 2 (3); in substantial surplus, 0 (1).

During September, employment continued at record levels for the month in the Prairie region. The return of students to school after the summer resulted in a seasonal contraction of the labour force and accentuated the shortages of semi-skilled and unskilled workers. Most types of skilled workers continued to be urgently needed throughout the region. Persons with jobs were estimated at 1,014,000 at September 22, a decrease of 34,000 from a month earlier but an increase of 25,000 from a year earlier. Registrations for employment at National Employment Service offices declined during the month to 1.5 per cent of the labour

force, compared with 2 per cent a year before. Harvesting operations were impeded during the month by rainy weather and shortages of farm help. The number of harvest workers from eastern Canada was reported to be much below normal. Fairly good progress was being made with the harvest, however, with the help of men in the Armed Forces and of part-time work by persons with farm experience who normally work regularly in other occupations. The generally tight labour market situation of the region is reflected in the National Employment Service statistics, which show that at the end of the month 40 per cent more job vacancies than job registrations were recorded for males. Only one area was reclassified during the month from the balanced to the shortage category. At October 1, the area classification was as follows (last year's figures in brackets): in shortage 18 (2); in balance 2 (18).

Near-record employment levels were maintained in the Pacific region during September, although the usual withdrawal of seasonal workers, particularly students, from the labour force caused some decline in the total numbers employed. Persons with jobs were estimated at 467,000 at September 22, about 16,000 less than a month earlier but 17,000 more than in September 1955. Registrations for employment at National Employment Service offices were at a record low. On the other hand, job vacancies were considerably more numerous than they have been for many years. Harvesting operations were progressing rapidly. Farm products and fish processing plants were fully active. With cooler weather, forest fire hazards diminished and permitted logging and sawmilling to return to full production. Most branches of mining, manufacturing and construction continued to operate near capacity. Trade and services were very active. Shortages of labour continued, particularly of engineers, draughtsmen, some types of metal workers, miners and loggers. During the month one area was reclassified from the balanced to the shortage category and one from moderate surplus to balance. At October 1, classification of the ten areas in the region was as follows (last year's figures in brackets): in shortage, 2 (0); in balance, 8 (8); in moderate surplus, 0 (2).

* * * *

SPREADING SEED: Canada exported over 51 million pounds of seed of the major grass and clover crops during the past year, reports the Plant Products Division, Department of Agriculture, Ottawa. This was slightly above the total for the previous year and above the average for the previous five years, 48 million pounds. It was still well below the record year of 1948 when exports of these seeds reached 74 million pounds.

Exports of timothy seed (7,903,000 pounds) and alsike clover seed (6,625,000 pounds) went

to a dozen different countries including: the United States, West Germany, United Kingdom, Netherlands, France, Belgium, Switzerland, Austria, Ireland, New Zealand, Australia, South Africa and Japan.

Sweet clover headed the list in this group of forage seed exports with over 13 million pounds. Of this the United States took 12.5 million, the Netherlands 591,990 pounds with small lots to the United Kingdom, Switzerland and Ecuador.

The United States was the principal market for Canadian forage seeds. In addition to the sweet clover, U.S. buyers took 8 million pounds of creeping red fescue, 6.5 million pounds of bromegrass, 4.5 million pounds of red clover, nearly 3.5 million of alsike clover and 3.25 million of timothy. West Germany took over a million pounds each of alsike and timothy, and the United Kingdom one million pounds of red clover, three-quarters of a million of alsike and 800,000 pounds of timothy seed.

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INFANTRY TALKS: Twenty-nine representatives of the Canadian Army and four civilians are attending the second tripartite infantry conference to be held at the U.S. Army Infantry School, Fort Benning, Georgia from October 29 to November 2, Army Headquarters has announced. In addition, five Canadian observers from the Canadian Army Staff (Washington), are attending.

The conference is held every two or three years to allow for the exchange of ideas and to study new developments in infantry doctrines, tactics and weapons between the United States, Great Britain and Canada.

In addition to senior infantry representatives, a number of the delegates are from various development directorates at Army Headquarters. During the conference Canadian items of equipment have been demonstrated.

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RESEARCH PROGRAMME: A joint research programme covering various aspects of development and operation of highways is being launched by the Ontario Department of Highways and two universities, Queen's University at Kingston and the University of Toronto.

The Department is providing \$85,000 to cover costs of the programme for the first year. This will include basic studies of highway construction and maintenance materials; research into more economical design, construction and maintenance; analysis of highway traffic, safety, economics and administration problems.

It is hoped the programme will result in economies in the development and operation of Ontario's highway system and also will attract university students to highway engineering.

NEW AUDITORIUMS: The Dominion Drama Festival News Letter announces that the two new auditoriums ordered by the Government to commemorate the 50th Anniversary of Alberta as a Province are now well on their way to completion.

The Edmonton one, where the 1957 Dominion Drama Festival Finals will be held May 20-25, stands on 13 acres near the University with parking space for 850 cars. The other auditorium is being erected in Calgary and is situated on the high ground on the north bank of the river in a most commanding position with parking area for 1000 cars.

Both auditoriums were designed by the Provincial Department of Public Works' Architectural office after consultations with international experts. Advice was secured from authorities such as Leopold Stokowski and Sir Ernest McMillan. Visits were paid by the Government officials concerned to great auditoriums in Europe and the North American Continent. All calculations in connection with technical problems of acoustics, lighting, heating and air conditioning were cross checked by National Research Council.

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SEAWAY TOLLS: The Hon. Lionel Chevrier, President of The St. Lawrence Seaway Authority, has announced that the toll policy of the St. Lawrence Seaway will be fair and reasonable to all traffic and that the Seaway Authority will act as any progressive business under competitive conditions and price its services so as to develop the maximum volume of traffic.

Mr. Chevrier pointed out that one of the main requirements included in the Seaway Acts of both the United States and Canada is that it be self-liquidating. Capital expenditures are being incurred by both the Canadian and American Seaway Authorities in the building of the Seaway. When the Project is completed, and after agreement has been reached on what amounts should properly be included on both sides, there will be an aggregate amount representing the capital cost of the Seaway. It is this amount on which interest will accrue and which must be amortized out of toll revenues over a period of 50 years. In addition there will be annual operating costs including maintenance, but by far the greater part of the total costs will consist of interest and amortization.

Turning to the comparison often established between the Panama and Suez Canals and the St. Lawrence Seaway, Mr. Chevrier said it would be wrong to draw any parallels between toll policies on the other two great canals and that of the Seaway. He explained how the Panama and Suez Canals are so located with respect to the great land masses of the world that they provide routes saving many thousands of miles over the nearest alternatives. At the same time they can be by-passed, that is,

ships that enter them in one direction are not obliged to return by the same route. On the other hand, the Seaway's geographic position is quite different, he explained. The Seaway will afford a route to the Great Lakes for the ships of the world but it is not a meeting point of many different trade routes as are the other two canals. The Seaway cannot form part of a triangular route which a vessel can use only once before returning to its starting point. Vessels entering the Seaway must leave by the same route, a fact which will almost certainly require a different toll policy than that used on either the Panama or Suez Canals.

"I can definitely state," affirmed Mr. Chevrier, "that the Seaway toll policy, both under the legislation of both countries and on the basis of the best economic interests of the Seaway itself, will be free of any form of discrimination. The Seaway tolls are there for one clear purpose - the liquidation of the costs of the Project - and it is unthinkable that they could be used for any ulterior purpose."

Mr. Chevrier established very clearly that "as of now there is no toll policy. No decisions have been taken on this matter and none will be taken until the subject has been carefully studied. We remain uncommitted and, I trust, open-minded."

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DELEGATES TO U.N.: The Department of External Affairs has announced the composition of the Canadian Delegation to the Eleventh Session of the General Assembly of the United Nations which opens in New York on November 12. The Delegation is as follows:

Representatives: Hon. Lester B. Pearson, M.P., Secretary of State for External Affairs (Chairman of the Delegation); Hon. Roch Pinard, M.P., Secretary of State, (Vice-Chairman of the Delegation); Lucien Cardin, M.P., Parliamentary Assistant to the Secretary of State for External Affairs; Senator David Croll, Toronto, Ontario; R.A. MacKay, Canadian Permanent Representative to the United Nations in New York.

Alternate Representatives: Mrs. M.A. Shipley, Member of Parliament for Temiskaming; Gérard Légaré, Member of Parliament for Rimouski; John Holmes, Assistant Under-Secretary of State for External Affairs; F.H. Soward, Associate Dean, Faculty of Graduate Studies, University of British Columbia; S. Pollock, Department of Finance.

Special Adviser: Miss Kathleen E. Bowlby, National Secretary, United Nations Association in Canada.

The names of the Parliamentary Observers attached to the Delegation will be announced later. Advisers for the Delegation will be drawn from the Department of External Affairs and from the Canadian Permanent Mission to the United Nations in New York.

ALBERTA -- INDUSTRIAL EXPANSION

Alberta, long considered a province dependent upon agriculture for its main economic sustenance is taking on a "new look", writes the Hon. A. Russell Patrick, Minister of Economic Affairs for Alberta, in the monthly publication "Trade and Commerce".

Acres of rich crop soils surrounding the province's cities and towns are being converted to a new power-industry. Millions of dollars are being invested annually in new projects. Majority of these are located in Canada's two fastest growing cities, Edmonton and Calgary. Smaller centres are also feeling the impact of this new-found prosperity.

The era of industrialization began early in 1947 with the discovery of the Leduc oil field. Almost immediately the gears of growth were set in motion.

The agricultural industry, however, remains the basic economy of the western province when measured in terms of revenue. Although farm income dropped slightly in 1955, agriculture provided employment for approximately 35 per cent of Alberta's estimated 1,066,000 persons.

The future looks good for agriculture. Another good crop year is anticipated. Greatly increased numbers of livestock, diversification of types of crops, and expanding market for home consumption all help to raise the cash income level.

During the first six months of the current year the cash income from major farm products in Alberta rose by 14.4 per cent over the corresponding period one year ago.

Huge irrigation projects in Alberta's south have turned this area into a veritable Eden. Land which was formerly fit only for ranching has been turned over to raising of alfalfa, sweet clover, sugar beets, corn, potatoes, peas, beans, pumpkins, beets, carrots and other vegetables grown to significant commercial importance.

BUSINESS BOOM

Industries that have arisen out of agriculture have been growing with the industrial boom. The province's largest and most important single industry is meat packing. Expansion of this phase has been sensational. Valued at \$175,000 in 1906 its gross sales in 1955 were \$126,269,707, in itself a six million dollar increase over 1954.

Agriculture is presently being overshadowed and may be overtaken by Alberta's rapidly expanding oil industry. In 1947 revenue from the production of crude oil was approximately \$17,100,000. By 1954, the last year for which complete figures are available, it had rocketed to \$227,877,500. During the same eight year period agriculture remained at a fairly constant level, showing an average yearly gross income to farm operators of \$529,987,000.

The race for leadership is a healthy one representing an economy that is sustained from two primary sources instead of one.

The production of crude oil continues to increase yearly. Last year 113,035,046 barrels were produced, a volume just short of the province's total production to the end of 1949. Increased consumption in the older markets and the development of new markets in British Columbia and the northwestern United States have encouraged increased production. A further increase is expected with the completion of the Trans-Canada pipe line.

The Government of Alberta limits the production of its oil in the interest of conservation. A similar policy has been adopted toward the use of the immense reserves of natural gas, a fuel in constant demand throughout Canada and nearby states.

These proven reserves of low-cost fuel have influenced industries to move to Alberta. Utilizing the vast reserves of oil (estimated at 2,000,000,000 barrels) and natural gas (estimated at 11.6 trillion cubic feet) huge refineries and allied industries have been constructed at key points throughout the province.

UNEQUALLED EXPANSION

The services and industries that stem from the refining of these resources seem unending. The expansion programme that followed major discoveries has never been equalled in the history of Canada.

In 1955 capital expenditure on 32 new industries totalled \$48,895,000 and expenditure on extensions to 25 existing plants was \$18,-194,000. In 1954 industrial expenditure totalled \$59 million, and \$38 million the year previous.

Among the major plants announced in 1955 is the \$23,000,000 ammonia, acid and fertilizer plant at Medicine Hat. Supplying a stimulus to an area that has such well organized industries as glass and pottery manufacturing, it is expected that the new plant will become one of the largest employers in that area.

Canadian Gulf Oil has started construction on two gas processing plants in Alberta. A Pincher Creek plant is valued at \$4,000,000 and the Nevis plant is to cost \$3,000,000. Imperial Oil's Redwater gas processing plant will cost approximately \$3,000,000.

In Calgary construction on a \$2,000,000 cast iron water pipe industry was started early this year.

Edmonton's \$7,000,000 Alberta Phoenix Tube and Pipe industry is expected to be completed this year. A steel pipe plant being constructed at a cost of \$3.5 million is also nearing completion. A \$12 million cement plant built by Inland Cement Ltd. is now in production.

One of the most impressive newcomers to the province's long list of new industries is the Northwest Pulp and Paper plant at Hinton. Built at a cost exceeding \$33 million, it prompted the construction of a new town. The plant will be in full operation in 1957.

Alberta's industrial growth has brought about a tremendous increase in the demand for electrical energy. To keep pace with these demands, three new power plants are being built, and others planned in the province.

The production of power in Alberta has increased 200 per cent during the past ten years and is expected to maintain a steady rate of increase for at least the next decade. In 1955 the generating capacity of all plants was approximately 463,000 kilowatts. This year 561,000 will be generated while the forecast for 1959 is to 740,000 kilowatts.

Since 1906 Alberta's manufacturing plants have grown in number from 97 to over 2,000. Production value last year is estimated at \$629,000,000 as compared with \$5,000,000 fifty years ago.

Thirteen new industries located in Calgary in 1955. Edmonton boasted seven, with eleven more planned and expected to be completed this year.

The future for Alberta and her people has never looked better.

Industrial expansion in the province is at its peak. Estimated figures for 1956 capitalized expenditure on new industries are not available but it is predicted that they will better the record high set last year.

Value of building permits issued for the major cities for the first six months of the year have shown an overall increase of 12.8 per cent. Total value of building permits for 169 towns and villages is up 170 per cent.

Figures on contracts awarded show a total increase of 83.4 per cent, rising from \$74.4 million in 1955 to increase of \$136.5 million in 1956. Retail sales figures were up for the first six months of the year from \$371.4 million to \$407.8 million.

Financial activity as evidenced by bank clearings rose by 28.3 per cent.

Since its emergence from its agricultural cocoon nine years ago, Alberta has become a leading figure among Canada's industrial provinces. Through its various departments, the Government of Alberta is devoting its efforts to organize and promote the development of this new wealth so that it will not only bring lasting benefits to its people, but will also be a major contributor to the economic well-being of Canada.

Salmon Control: United States and Canadian delegates met last week in Ottawa at a conference called to draft a treaty which would place the pink salmon of the Pacific coast under international control in a manner similar to that by which the two countries control the sockeye salmon.

George R. Clark, Deputy Minister of Fisheries of Canada, who headed the Canadian delegation, was chairman of the conference, and the head of the United States delegation, Dr. W.C. Herrington of the Department of State, Washington, was vice-chairman.

The conference was attended by representatives of the governments of both countries, as well as by representatives of fishermen's unions, fish processors, and vessel owners from British Columbia and the State of Washington.

Japan, a member with Canada and the United States of the International North Pacific Fisheries Convention, was represented at the plenary sessions of the conference by an observer, T. Wada, First Secretary of the Japanese Embassy in Ottawa.

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German Mission: A wheat and grain mission from the Federal Republic of Germany representing the German Ministry of Food, Agriculture, and Forestry, spent the period October 9-21 in Canada.

Following visits to port installations, farms and laboratories in Western Canada, the group spent a few days in Toronto, Ottawa and Montreal, and left there by air for London, England.

The members of the mission, who were given an opportunity while in Canada of familiarizing themselves with the production, handling and merchandising of Canadian wheat and other grains, were Dr. Th. Sonnemann, Deputy Minister; Dr. K. Haefner, Chief, Statistics and Planning, and Dr. H.J. Scharmer and Dr. K.H. Oedekoven, officials of the Ministry.

* * *

United Nations Day: Nation-wide observances were held throughout Canada on October 24, which since 1947 has been celebrated as "United Nations Day".

Prime Minister St. Laurent issued a special U.N. Day message. In Ottawa, there was a display in front of the Parliament Building of the flags of the 76 member countries of the United Nations, including the 16 new members elected at the 10th General Assembly last year. The Dominion Carillonneur, Mr. Robert Donnell, played the national anthems of several member countries whose nationals are officers of the principal organs of the United Nations.



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CANADA-U.S. BUSINESS RELATIONS

The Rt. Hon. C.D. Howe has urged United States business corporations to treat branch plants in Canada as thoroughly Canadian enterprises, and to remind themselves more often that Canada is a separate nation, not a state of the Union.

Speaking October 15 at a meeting of the Canadian Club of Chicago, Illinois, on the topic "American Investments in Canada", Mr. Howe said that because of Canada's closeness to the United States, and the similarity of institutions and ways of life in the two countries, Americans often treat Canada, for business purposes, almost as a part of the United States. This, he said, has its dangers if it leads American businessmen to treat branch plants in Canada just as if they were located in the United States.

On October 16, at a meeting of the Milwaukee Association of Commerce, at Milwaukee, Wisconsin, Mr. Howe said that his views on the operations of United States controlled plants in Canada could be applied to other aspects of economic relations between the two countries.

In his Chicago speech, the Minister pointed out that Canada welcomes the inflow of capital from south of the border, and that he had a number of suggestions to make to United States business men with a view to underpinning the friendly and harmonious economic relations that now exist between Canada and the United States.

Partial text of Mr. Howe's address at Chicago follows:

"...I suggest to you a very simple rule. Other things being equal, it is good business for a Canadian subsidiary of a foreign company to become as Canadian as it can, without losing the benefits of association with the parent company. In many countries, of course, there are rigid laws applying to foreign controlled companies, requiring them, for example, to give local inhabitants a share in the enterprise and requiring them to employ a minimum proportion of local labour and so forth.

"There are no such laws in Canada. I hope there never will be. I believe that those who are prepared to share with Canadians in the risks of developing our country should be as free as Canadians themselves in deciding how to conduct their enterprise.

"Nevertheless, anyone who does business in Canada should reckon with the pride and the legitimate pride of Canadians in their country. In other words, they should reckon with the normal feelings of nationalism which is present in Canada, just as it is in the United States. Canadians do not like to be excluded from an opportunity of participating in the fortunes, good or bad, of large-scale enterprise incorporated in Canada but owned abroad. They may not buy many shares, but they resent the exclusion. They do not like to see large-scale Canadian enterprises entirely dependent upon foreign parents for their research and top management. They do not like to see the financial results of large-scale Canadian

(Over)

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enterprises treated as if they were the exclusive concern of the foreign owners.

"I make bold therefore to offer three suggestions for the consideration of United States corporations establishing branch plants in Canada or searching for and developing Canadian natural resources:

(1) Provide opportunities for financial participation by Canadians of minority shareholders in the equities of such corporations operating in Canada;

(2) Provide greater opportunities for advancement in U.S.-controlled corporations for Canadians technically competent to hold executive and professional positions;

(3) Provide more and regular information about the operations of such corporations in Canada.

"I am pleased to say that an increasing number of American companies are now giving Canadians an opportunity to participate in the equity holdings of Canadian-operated enterprises. This is an encouraging trend. Canadians welcome this development, not just because it is in Canada's national interest, but also because we think it makes good business sense from the point of view of the American parent corporation.

OBSTACLE REMOVED

"I was told that Canadian taxation discouraged Canadian participation in Canadian subsidiaries. If it did, that particular obstacle has been removed, at least insofar as Canadian law is concerned.

"The agreement for the avoidance of double taxation between the United States and Canada provided for certain tax advantages for parent companies controlling 95 per cent or more of the equity of the subsidiary corporation in the other country. Last summer the United States and Canada reached an agreement, subject to ratification by your Congress and our Parliament, whereby the percentage of share ownership, entitling the parent company to a reduced rate of 5 per cent on dividends from its subsidiary operating in the other country, has been reduced from 95 per cent to 51 per cent. This amendment of our taxation agreement with the United States has since become law in Canada. It is still awaiting ratification by the U.S. Congress. Our Government made it quite clear, in proposing this amendment to the Canadian Parliament, that the new tax arrangement was designed to encourage U.S. parent corporations to give Canadian investors opportunities to buy share ownership in their subsidiary companies in Canada. Hence, as far as Canada is concerned, the tax disadvantage that used to exist for a U.S. corporation offering Canadian minority equity holdings in U.S. branch plants has been removed.

"Undoubtedly, there are other difficulties, difficulties about exchange of research between parent and partially-owned subsidiaries, difficulties of control of subsidiaries

with minority shareholders. That these are very real difficulties, I would be the first to admit. I ask only that they be weighed in the balance against the advantages in terms of goodwill of giving Canadians a sense of identity with the United States-controlled enterprises.

"My second suggestion is that Canadians should be given greater opportunities for advancement in subsidiary enterprise controlled by United States parents. I am pleased to report that more and more U.S. corporations operating in Canada are hiring Canadians for responsible positions, when well qualified people can be found, and that young Canadians are being advanced as rapidly as their ability and experience will warrant. Responsible Canadians are being invited to sit on Boards of Directors. If this trend continues, there will be little for Canadians to complain about.

INFORM CANADIAN PUBLIC

"My third suggestion is that U.S. corporations should report the results of operations of their subsidiaries in Canada. As you are aware, the S.E.C. requires regular reporting by all the large corporations in the United States. We do not have similar regulations in Canada. Nevertheless, the Canadian public is interested in knowing how these large Canadian corporations are getting on in Canada. Since many of our large corporations are U.S.-controlled, the demand for the release of such information at regular intervals, say in the form of annual reports, has been increasing.

"One U.S. corporation, with a 100 per cent controlled subsidiary operation in Canada, added a supplement to its last annual report outlining the extent of its operations and its achievements in Canada. This endeavour to let Canadians know how this company is doing with respect to operations in Canada was well received. It could serve as a useful guide to those who feel as I do that it is good business to treat branch plants in Canada as thoroughly Canadian enterprises.

"These are my three specific recommendations. I believe they are worth careful consideration. I believe their adoption will be in the interests of United States corporations with subsidiaries in Canada. There may be other ideas equally good which serve the same purpose. Be assured of one thing, that my purpose is to improve business relations between the United States and Canada by giving Canadians a greater interest and a greater stake in the success of United States companies operating branch plants across the border.

"Before leaving this subject, there is one other point very close to my heart as Minister of Trade and Commerce which I put before you for consideration. Branch plants are usually established to do business in the area they serve. But I ask you again to bear in mind that a branch plant in Canada is not the same thing as a branch plant in California or

METROPOLITAN POPULATION GAINS

Large population gains were made in the past five years in each of the eight metropolitan areas for which preliminary 1956 Census figures have been released by the Dominion Bureau of Statistics. The current report--fifth in a preliminary series--contains population totals for approximately 450 cities, towns and villages, and 600 municipalities and townships. Over 80 per cent of the cities, towns and villages showed increases in population since 1951, and slightly less than one-half of the municipalities, townships, etc.

The population of the census metropolitan area of Montreal, Canada's largest metropolis, now stands at 1,595,327, 199,927 or 14 per cent more than the 1,395,400 population of the same area in 1951. This followed a population increase of 22 per cent in the ten years from 1941 to 1951. The population of the city of Montreal proper increased 7.1 per cent in the 5-year period from 1951 to 1956 to 1,094,448 from 1,021,520. The population of Toronto's metropolitan area had a larger rise of 230,435 or 20.6 per cent to 1,347,905 from 1,117,470. The rise in the ten-years from 1941 to 1951 was nearly 23 per cent. For the city proper the population dropped off 2 per cent to 662,096* from 675,754.

Vancouver's metropolitan area population increased 128,085 to 658,813* from 530,728 in 1951 and followed a ten-year (1941-1951) growth of 153,281. For the city proper the population increased 17,119 or 5 per cent to 361,952 from 344,833.

Numerical increase in the population of metropolitan Winnipeg since 1951 was 55,618 to 409,687 from 354,069. Percentagewise the growth worked out at 15.7 per cent. For the city proper the population increased 8.5 per cent in the five-year period to 256,683* from 235,710.

Population of metropolitan Ottawa showed a five-year increase of 53,381 to 335,289* from 281,908. For the city proper the increase was 13,068 to 215,113* from 202,045. Hamilton's metropolitan area population jumped 65,553 to 325,238* from 259,685 in 1951. For the city proper the five-year growth was 10.7 per cent to 237,749* from 208,321 in 1951.

HEALTH INFORMATION: Plans for the further co-ordination and extension of public health information programmes were made at the Sixth Federal Provincial Health Education Conference held in Ottawa.

Health Minister Paul Martin who formally opened the conference, expressed satisfaction with the development of health education activities across Canada. In thanking the Minister, several provincial representatives noted the contribution made to their field by the federal government through grants under the National Health Programme.

Windsor's metropolitan area population increased 26,373 to 184,045* from 157,672, and that of the city proper increased only slightly to 120,525* from 120,049. The rise in Victoria's metropolitan area population was 18,730 to 123,033 from 104,303 and that of the city proper increased 3.4 per cent to 53,088 from 51,331.

Five other cities with population of 50,000 or over are included in this list, all but one with substantial increases. The population of Regina increased to 88,797* from 71,319 in 1951, Saskatoon to 70,843* from 53,268, Sherbrooke to 58,523* from 50,543, Oshawa to 50,135 from 41,546, and Verdun slightly higher at 77,550* versus 77,391.

Thirteen cities with 1956 population between 25,000 and 50,000 are listed, all but one showing increases. These are: Drummondville, 26,424* (14,341 in 1951); Hull, 48,853* (43,483); Jacques-Cartier, 33,007* (22,450); Jonquiere, 25,398* (21,618); Lachine, 34,342* (27,773); St. Laurent, 35,763* (20,426); Shawinigan Falls, 28,450* (26,903); Montreal North, 25,358 (14,081); Port Arthur, 37,592 (31,161); St. Catharines, 39,415* (37,984); St. James, 26,240 (19,561) and New Westminster, 31,357 (28,639). The population of Outremont declined to 28,278 from 30,057.

Among cities and towns between 15,000 and 25,000, the population of Charlottetown increased to 16,446 from 15,887 and Fredericton to 18,037 from 16,018. Others with increases were: Cap-de-la-madeleine, 22,800 (18,667 in 1951); Chicoutimi, 24,379 (23,111); Joliette, 16,874* (16,064); St. Hyacinthe, 20,339* (20,236); St. Michel, 24,540* (10,539); Valleyfield, 23,480* (22,414); LaSalle, 18,867 (11,633); Mont-Royal 15,940* (11,352); Pointe-Claire, 15,067* (8,753); Belleville, 20,469* (19,519); Galt, 23,615* (19,207); Leaside, 16,458* (16,233); Forest Hill, 19,041 (15,305); Prince Albert, 20,172 (17,149). Those with decreases were: Glace Bay, 24,137 (25,586); and Westmount, 24,341* (25,222).

* Figures for 1956 include boundary changes since 1951.

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The conference was attended by delegates from eight provinces, including two provincial health educators appointed since the previous meeting, and trained with federal health grants.

Reports from all sections of the country noted increased public appreciation of, and compliance with, official measures to maintain and advance health standards. The health educators considered in detail the further use of all informational media in the nation's developing health programmes.

TERMINAL DEVELOPMENT: Details of a broad, imposing plaza which is being built in the heart of the City of Montreal by Canadian National Railways, and which will be named "Place Ville Marie" to commemorate the name of the first community on the site of what is now Montreal, have been announced by CNR President Donald Gordon on behalf of the board of directors.

The plaza will be the striking central feature of the entire 23-acre terminal development which has been a major CNR objective for many years and one in which private capital has been encouraged to participate. First units took shape with the construction by the CNR of the Central Station, the International Aviation Building, and new hotel now under construction.

Mr. Gordon said plans for development of the terminal area and the plaza involved months of study, consultation and co-operation between railway officers and city authorities. The selected name for the plaza, "Place Ville Marie", was given the warm personal approval of Mayor Jean Drapeau.

The block-long, street-wide area of landscaped gardens and formal walks will be an island of flowers and greenery with a fountain centrepiece amid what eventually will be Montreal's most imposing group of buildings.

A three-level parking garage, accommodating more than 450 automobiles, will be housed under the plaza surface.

Each of the three floor levels will be connected by ramps. The top level of the garage will be devoted to parking only.

The second level will also be used for car storage and will service the new hotel. Guests and taxis will drive directly to the lower level entrance. Main floor of the hotel will be reached by elevators, escalators and stairs.

The third, and lowest, level will connect with Central Station's north entrance and its adjoining parking area and taxi stand. It is this level that will be used for automobile traffic to and from the railway terminal.

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NORTHERN RESEARCH: A Research Station at Norman Wells, Northwest Territories, consisting of a soils laboratory and a residence building for research staff, has been developed by the National Research Council as a centre for its permafrost studies in northern Canada.

A small station was established at Norman Wells, with the full co-operation of Imperial Oil Limited, as early as 1951, in temporary buildings originally used on the Canal Project. The two new prefabricated structures provide fully equipped and modern buildings for this far-northern research outpost. The Northern Research Station forms an important link in the chain of regional building research stations established by the National Research Council.

INFORMAL MISSION: A small informal mission headed by Mr. Paul Beaulieu, of the Department of External Affairs, is visiting Morocco and Tunisia. The other members of the mission are Mr. R. Campbell Smith of the Department of Trade and Commerce, and Mr. J.P.R. Brunet of the Department of Citizenship and Immigration. The fact-finding mission left Paris on October 18 and will spend approximately a week in each of the countries. The members will explore with Tunisian and Moroccan officials Canada's relations with the two newly independent countries, recognized by Canada on June 19.

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OTTAWA GUEST: Dr. Luther Evans, Director General of the United Nations Educational, Scientific and Cultural Organization, visited Ottawa October 14 to 16 accompanied by Mr. Rene Maheu, Assistant Director General and Permanent Representative of UNESCO at the United Nations Headquarters, New York.

While in Ottawa Dr. Evans called on the Prime Minister, the Chairman of the Canadian Broadcasting Corporation, the Director of the National Gallery, the Government Film Commissioner and the President of the National Research Council. He also had discussions with members of the Canadian Delegation to the Ninth Session of the General Conference of UNESCO, which opens in New Delhi, India, November 5, and with officials of the Department of External Affairs.

On Monday, October 15, he addressed a public luncheon in his honour at the Chateau Laurier Hotel. The luncheon was sponsored by the United Nations Association in Canada, with the co-operation of the Canadian Teachers' Federation, the Canada Foundation, the Canadian Social Science Research Council, the Chemical Institute of Canada, the Canadian Library Association and the Ottawa Branch of the United Nations Association.

Dr. Evans was the guest at a government luncheon at the Country Club on Tuesday, October 16. The host was Mr. Lucien Cardin, M.P., Parliamentary Assistant to the Secretary of State for External Affairs.

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GUEST OF JAPAN: The Right Hon. C.D. Howe, Minister of Trade and Commerce, arrived in Japan yesterday with Mr. M.W. Sharp, Associate Deputy Minister of Trade and Commerce. During his visit, which will end November 7, Mr. Howe will be received in audience by His Imperial Majesty the Emperor and will meet the Prime Minister, the Minister of Foreign Affairs and other members of the Cabinet. His itinerary will include trips to various centres both in the Tokyo and the Kobe-Osaka areas.

This visit will enable the Minister to have useful discussions with leading representatives of the Government and business. Mr. Howe will in this way, reciprocate recent visits to Canada of Japanese Cabinet Ministers and Parliamentarians.

CANADA-U.S. BUSINESS RELATIONS

(Continued from P. 2)

Louisiana. A Canadian Branch plant is situated in a country that depends for its very existence upon international trade. It is situated in a country which maintains an external trade service which others tell us is second to none and which is ready to serve any Canadian enterprise, whoever owns it.

"Too often, I regret to say, our trade representatives abroad turn up export opportunities for a subsidiary company operating in Canada only to find that the United States parent does not permit the export business to be done from the Canadian plant. Mind you, we do not object to doing occasional export promotion for United States corporations, but you will agree that it is rather difficult to justify the expense to the Canadian taxpayer!"

ASKS RE-EXAMINATION

"Once again I recognize that there are problems. But I do plead for a careful re-examination of export policies affecting Canadian branch plants. Canada as a nation is an efficient producer. Given sufficient volume, Canadian plants can often produce as cheaply as United States plants. Sometimes, too, Canada has an advantage in duty in supplying goods to countries of the British Commonwealth; indeed, many plants have been established in Canada just to take advantage of this preference. I am not suggesting that United States corporations should act contrary to their interests. I am suggesting that they may be overlooking a good bet by not allowing their Canadian plants to take on more export business. By being prepared to accept export business United States-controlled subsidiaries will also act more like good, solid Canadian enterprises."

Excerpts from Mr. Howe's remarks at Milwaukee follow:

"...What I have been saying about the operations of United States controlled plants in Canada is capable of application to other aspects of our economic relationships. Consider, for a moment, trade between Canada and the United States. Canada is the best customer of the United States. The United States is the best customer of Canada. Trade between our two countries is greater than between any other two countries, amounting last year to \$6 billion.

"But, too often, or so it seems to us in Canada, Americans take it all for granted. They take it for granted, for example, that Canada will continue to buy every year a billion dollars more from the United States than the United States buys from Canada. Americans apparently take it for granted that they will continue to be able to bring raw materials from Canada while placing high tariffs against imports of Canadian manufactures and threatening still further restrictions.

"Now I am not saying that Canada is about to retaliate against the United States by raising barriers to imports from this country. I belong to a Government that has moved steadily in the direction of freer trade, which we believe to be in the Canadian interest, and in the interests of a peaceful world. Nor do I overlook the progress that has been made by the United States in the same direction in recent years.

A SEPARATE NATION

"It is just that I am convinced that Americans who sell goods to Canada and appreciate the value of the Canadian market would do well to remind themselves more often that Canada is a separate nation, not a state of the Union, a nation which in the long run can import only as much as it exports. If Americans think more often of their Canadian market in that sense, there will, I am confident, be greater support in this country for the kind of trade policies that will put United States-Canadian trade on an even more secure footing, and that will at the same time result in greater markets for United States goods in Canada.

"When I think of how Americans and Canadians can work together as citizens of separate countries, living side by side, each respecting the legitimate interests of the other, I think immediately of the St. Lawrence Seaway which is of such vital interest to the city of Milwaukee. For many, many years Canada tried in vain to get the agreement of the United States to proceed with that great project. Finally, Canadian patience was exhausted. If the United States was not prepared to join in an international navigation project, Canada stood ready to go it alone.

"Fortunately, that did not become necessary. Thanks to the unfailing support from communities such as your own, the opposition was overcome, and our two countries reached agreement and began work. I take this occasion to congratulate you on the success of your efforts.

"Only a comparatively short time ago, the idea of Canada building the deep waterway by herself would have seemed absurd. But not today. This is a measure of the advance in economic strength of my country in recent years. That Canada stood ready to go it alone is another instance of the growing confidence of the Canadian people in their own capacity.

"An international project was greatly to be desired, however, and Canadians have joined with enthusiasm in the construction of both the power and navigation aspects of the work. In fact, most of the navigation improvements are in Canada and will be paid for by Canada. We look forward, as you do, to an immense development following upon the completion of the improvements that will bring the ocean to the heart of the Continent.

(Over)

"I have been most interested to learn about and now to see at first hand the enterprise in preparing for the Seaway that is being shown at American ports along the Great Lakes such as right here at Milwaukee. Thanks to the foresight and perseverance shown by the authorities of your city, Milwaukee is in a unique position to reap the full benefits to be derived from the completion of the Seaway. Your port is generally conceded to be the best equipped of all Lake ports to handle Seaway traffic as the result of almost thirty years of preparation for the day the Seaway would be a reality.

"Our ports along the Great Lakes and the St. Lawrence are preparing, too, to handle a greater volume of business, some of which will come from the United States. As far as Canada is concerned, we hope that the Seaway not only means a new era for us, but that it more than justifies the hopes of those in the United States who supported it. We know that in this project, as in so many others, what is truly in the interest of the United States is also good for Canada.

"Large ocean going ships will, of course, use the Seaway connecting inland United States and Canadian ports directly with ports in overseas countries. This in itself will be a great step forward in the history of both countries. I am inclined to think, however, that the really outstanding benefits of the Seaway will arise from large lake freighters being able to traverse the Seaway all the way from ports like Milwaukee, Chicago and Duluth and Fort William and Port Arthur at the one end to Montreal at the other, without having to trans-ship from larger to smaller freighters which can navigate the present channels. The benefits will come partly from this saving in transhipment costs and partly from the economies which are inherent in the use of large lake freighters, one of the most economi-

cal methods of transportation in the modern world. We can look forward, I believe, to substantial reductions in freight costs between lake ports and the Atlantic Ocean. . .

"I have sought today to plant a few ideas that will help you to understand perhaps a little better what is happening in Canada and what Canadians think about their economic relations with you here in the United States. They are simple, not profound ideas. They may be summed up in a few words. If you operate a business in Canada, give Canadians an interest and a stake in its success. If you export to Canada, remember that Canadians can buy only if they have an equal opportunity to sell.

"Most of all, I suggest that in your business dealings you do not take Canada for granted. Much better results are obtainable if Canadians are treated as people with as much pride in their country as you have in this great country of which you are citizens."

* * *

LEADS DELEGATION: Mr. L D Wilgress, Canadian Permanent Representative to the North Atlantic Council and the Organization for European Economic Co-operation in Paris, is leading the Canadian Delegation to the Eleventh Session of the Contracting parties to the General Agreement on Tariffs and Trade, which opened on October 10 in Geneva. Mr. A. B. Hockin, of the Department of Finance, is Vice-Chairman of the Canadian Delegation. Other officials from the Departments of External Affairs, National Revenue, Trade and Commerce and Finance are also attending this meeting.

The Eleventh Session of the Contracting Parties of Gatt is one of the regular business sessions which take place periodically to administer the agreement, to consider complaints, and to seek solutions to particular points of difficulty.



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PRIME MINISTER'S PROPOSAL ON AID TO UNIVERSITIES

Speaking at the University of Sherbrooke, Quebec, October 7 after receiving an honorary degree from the recently established institution, the Rt. Hon. Louis S. St. Laurent, Prime Minister of Canada, suggested a new plan for the distribution of moneys made available each year by the Federal Government to Canadian universities.

The Prime Minister said that since 1953 Parliament has voted a sum of about fifty cents per capita based on the population of the whole country--or \$8,000,000 this year--to assist institutions of university rank recognized as such by the provincial authorities. According to the terms of the vote, this sum must be distributed among the provinces in proportion to their population, and within each province in proportion to the number of students enrolled in courses leading to university degrees.

The new suggestion which the Prime Minister said was under study would see the handing over of monies voted by Parliament to the National Conference of Canadian Universities, which would divide it up and distribute it.

The Prime Minister reminded his listeners that for several years the Dominion Government has had agreements with the provincial governments under which it votes sums annually to help in the vocational training of youth. The amount which appears in the estimates of the Department of Labour for the current year and

which will be distributed to the provinces under those agreements is about \$4,500,000.

Mr. St. Laurent said that the Department of Labour is engaged at the present time in preparing a study of Canada's resources of professional and skilled manpower and at the same time is studying the prospects for employment in the future. The results of this study, he said, will form the subject of a report to the Royal Commission on Canada's Economic Prospects, and the recommendations of that Commission which the Government submits to Parliament will be given serious consideration.

The Prime Minister referred to the importance of small universities in Canada in the following words:

"...The entire nation and its leaders, it is true, turn most frequently to the large universities which must speedily supply us with the many specialists, professional men and technicians of which there is a pressing need in 20th century Canada. I would like to think, however, that the small universities are one of the strongest guarantees for the continued teaching of the humanities and the liberal arts through which our young nation maintains its roots in the great civilizations of the past and assures itself a place in the stream of democratic evolution which can be traced back directly to Athens."

(Over)

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EDUCATION CONFERENCE: A conference on "The Crisis in Higher Education in Canada" sponsored by the National Conference of Canadian Universities will be held at Ottawa on November 12-14. Questions connected with the present and prospective shortage of facilities and staff in Canadian universities to deal with the expected doubling of enrolment in the next 10 years will be discussed.

The conference will include sections on general statistics, educational structure, technological education, the use of human resources, staff, university salaries, and finances.

Those expected to participate will include university presidents and professors from across Canada, senior members of federal and provincial governments, and representatives of business, industry and labour. Most provincial Ministers of Education, or their deputies, are expected to attend.

* * *

NATO SCHOLARSHIPS: The North Atlantic Council has approved a second NATO fellowships and scholarships programme for the academic year 1957-58. This programme follows the one inaugurated by the council in October 1955 when one Canadian fellow was chosen.

As before, there are two categories of awards:

Scholarships: Conferred upon young graduates for a complete university year or for a shorter period. Candidates in this category will receive the sum of 500,000 french francs for the entire year (or the equivalent), for studies undertaken in the European countries of NATO, or the sum of \$2,000 for studies undertaken in Canada or the United States of America.

Research fellowships: Granted to specialists for a period of several months. The winners of this second category of awards will receive a sum of 200,000 french francs per month (or the equivalent).

In addition, travelling expenses for the winning applicants will be paid by NATO.

The scholarships and fellowships which this programme is intended to encourage must deal with historic, political, constitutional, juridical, social, cultural, linguistic, economic or strategic problems of the countries of the North Atlantic Alliance. These studies must illustrate the common heritage, as well as the future development of the member countries considered as a community. Another aim of this programme of awards is to strengthen the transatlantic ties of the alliance.

Nations of member countries of NATO are eligible to apply for the awards and must spend their time on study in one or more of the NATO countries. Winners of the awards will be announced on April 4, 1957, the eighth anniversary of NATO.

The selection committee includes: Mr. L.D. Wilgress, permanent representative of Canada to the North Atlantic Council, Chairman; Dr. James B. Conant, U.S. Ambassador to the Federal Republic of Germany and formerly President of Harvard University; Mr. Robert Marjolin, Professor at Nancy University and formerly Secretary General of the Organization for European Economic Co-operation; Dr. Alberto Tarchiani, formerly Italian Ambassador to the United States and Rt. Hon. H.U. Willink, Master of Magdalene College, Cambridge, and formerly Vice-Chancellor of Cambridge University.

* * *

DEHYDRATED MEAT: A new vacuum freeze-drying process for meats, developed by two Defence Research Board scientists and a team of food technologists at Downsview, Ontario, promises to make possible large scale commercial production of tasty dehydrated meat items for the services. The development is likely to prove beneficial as well to civilians both in urban and isolated areas for home and outdoor use.

While freeze-drying methods of dehydrating meats have been known for some time, the technique developed by Doctors Carl Brynko and W.R. Smithies of the Defence Research Medical Laboratories (DRML), reduces drying times, provides rapid and uniform dehydration to a very low moisture level and permits processing of large pieces of meat. In addition, neither the drying rate nor the quality of the product is affected seriously by the grain of the meat, a real problem with current dehydration methods.

Beef roasts and steaks, pork chops, chicken and fish have been dried. The scientists report the results have proved to be of particularly high quality and acceptability after rehydration (the addition of water) and cooking.

* * *

JOINING SQUADRON: The third of Canada's new anti-submarine destroyer escorts, HMCS Ottawa, will be commissioned on Saturday, November 10, in Montreal.

Shortly after commissioning, the Ottawa will sail for Halifax to join company with her sister ships, the St. Laurent and Assiniboine, in the Third Canadian Escort Squadron. The St. Laurent was commissioned on October 29, 1955, and the Assiniboine last August 16. Eleven more of the anti-submarine destroyer escorts are in various stages of construction.

The Ottawa is the second to be fully fitted out with Canadian-built equipment. First of the class, the St. Laurent, has British-built boilers and turbines. Both the Assiniboine and the Ottawa have propulsion machinery of Canadian manufacture. Now that Canadian industry is equipped for the manufacture of these boilers and turbines, all subsequent vessels of the class will have Canadian-built propulsion machinery.

CHALLENGE TO FOREST RESOURCES

Canada's forest industries, now responsible for the livelihood of more than a million people, are called upon to finish an ever greater annual harvest to satisfy the needs created by the growth of the Canadian population and the expansion of foreign markets.

Having made this statement to members of the Canadian Institute of Forestry meeting at Chicoutimi, Quebec, this month, the Hon. Jean Lesage, Minister of Northern Affairs and National Resources, went on to speak of the efforts of government and industry to find out the extent of Canada's forest resources and the best and most practical means of keeping them in a constantly productive condition.

FEDERAL INTEREST WIDE

Mr. Lesage pointed out that more than 90 per cent of the provincial forest land remains the property of the Crown in the right of the provinces and is administered by the provinces. Until 1930 the Federal Government administered some 21,000,000 acres in National forests. These areas reverted to the four western provinces with the transfer of natural resources from federal to provincial control. Federal jurisdiction over forest lands within provincial boundaries is now confined, the Minister said, to the relatively small areas of national parks, Indian and military reserves, and forest experiment stations. In addition, federal administration continues in the Yukon and Northwest Territories. "Yet federal interest in all aspects of forestry is very great", Mr. Lesage said. "This is so because of the very high importance of our forests to our national welfare. The impact of forestry on our economy is not merely local, neither does it take account of provincial boundaries. On the contrary, it permeates our economy and its effects are apparent both at home and in our export trade. Thus, on a national basis, and without interfering with provincial rights, it becomes incumbent on the federal administration to promote the continued welfare of the forest estate on which the Canadian economy is so dependent."

The Minister stated that the role of the Federal Government in forestry is the proper administration of the forested areas over which it has jurisdiction, and co-operation with the provinces primarily through the conduct of research and investigations into the many phases of forestry and the utilization of forest products.

Recalling the passing of the Canada Forestry Act, in 1949, which empowered the Federal Government to grant financial assistance to the province in certain fields of forestry, Mr. Lesage said that the first problem tackled was that of determining the extent and nature of forest resources. To this end agreements were negotiated with most provinces for the

carrying out of forest inventory surveys. Fifty per cent of the cost of these surveys has been contributed by the Federal Government. By and large, this phase of assistance is reaching the care and maintenance basis.

"Through this federal provincial co-operation, we shall soon have a record of the extent and nature of all our forested areas far superior to anything we have had previously," Mr. Lesage said. "Such a detailed record of our resources will enable all of us to plan for present operations and future developments of our forest-based industries with reasonable certainty that there will be available--barring unforeseen calamities--sufficient raw material for their continued long-term operation.

Reforestation of vacant crown lands and the establishment of new forest tree nurseries are other fields where federal contributions of some 20 per cent of total costs have been paid and will continue to be offered to provincial administrations, the Minister stated. These reforestation measures will increase the potential annual harvest of trees and help assure adequate forests to supply our future needs.

Continuing, the Minister said:

"But it is not enough to know what is the quantity of available timber. It is not enough to do some reforestation of unoccupied Crown lands. Steps must be taken to preserve the future heritage of wood. One of the greatest afflictions of forests is fire.

OFFER TO PROVINCES

"Accordingly, should the provinces so desire, the Federal Government has offered to enter into agreements with the provinces for the purpose of providing a modest amount of capital assets to the provinces in order to enable them to control fires. All provinces could benefit from such financial aid. Though the agreements would be with the provinces, account would be taken of the various systems prevailing in the province to control fire. In order to achieve something concrete in the field of forest protection, should a majority of the provinces so desire, I would be very happy indeed if the Deputy Ministers or Chief Foresters of the various provinces--as was suggested to me at Winnipeg--should meet in Ottawa on November 14 to consider how to best work out the details of the proffered financial assistance."

"There is much more, however, to the Federal Government's interest in forestry than the financial contributions it makes to projects carried out under provincial jurisdiction. In fact, research is one of the main functions of the Forestry Branch of my Department. Six field districts, five forest experiment stations, and two Forest Products Laboratories,

well staffed with scientific and research personnel, have contributed a very large fund of knowledge to the sciences of forestry and forest utilization. Research work is carefully planned and systematically carried out. Constant thought is given to present and future industrial needs. Thus, basic and applied research are included in the programmes, so that, while constantly increasing the volume of fundamental knowledge, a considerable proportion of the research work provides data and information of immediate and practical benefit to provincial administrators and to industrial operations and development.

"Research in silviculture and management is developing and demonstrating forest practices which can assure the maintenance of high production levels from Canadian forests. Following cutting or fire, regeneration of the forest is of vital importance in any programme of forest management. Many studies are directed toward the solution of these complex problems. Close liaison with the pulp and paper and sawmilling industries is maintained on the applied aspects of such work, and a number of co-operative projects concerned with improved cutting methods, seedbed preparation, and so forth, are in progress.

INDUSTRY ACTIVE

"The forestry industry itself has given increased attention to sustained yield forest management. This initiative has created a vigorous demand for better information regarding the present and future productive capacity of forest land. To supply this need, forest site classification work and studies of growth and yield are in hand. Much of this work is done on a co-operative basis with pulp and paper companies. For several areas, ranging in size from 40 to 1000 square miles, plans have been prepared of sustained yield management in co-operation with companies and provincial government in order to demonstrate the practical application of forestry principles developed through research and experience.

"Other important lines of forest research carried on by the Forestry Branch concern improvement of forest survey and inventory techniques, forest fire protection and forest economics.

"I need hardly add that a good deal of the planning of research is done through the various committees which have been set up by industry, government agencies, and research councils across Canada.

"A good effort is made to supply present needs and to foresee future requirements. I firmly believe that in the light of specific and accurate knowledge, private enterprise will accept the challenge of adopting or creating new plans of organized forest management. For these plans will become a necessity if Canada—with its Northern forests and the greater demands being put upon them—is to compete effectively with other areas of the

world. I further believe that this can be done with efficiency and with a minimum of disturbance.

"There is growing recognition that the forester's field of influence extends far beyond the forests themselves. In fact, the end results of forestry operations are to be found in the vast network of our forest industries. Equally important to good forestry is the need for utilization practices that will always assure economic and advantageous conversion of the wood material extracted from our forests.

"As in other fields, the effective utilization of wood must continue to rest on accurate knowledge of the wood substance itself and upon the development of processes suitable to the production intended. Only in this way can we avoid unwarranted waste in the production of the near endless variety of goods based on wood which are necessary to the daily needs of our population.

FOREST PRODUCTS LABORATORIES

"For more than 40 years the Forest Products Laboratories of Canada, a Division of the Forestry Branch of my Department, have carried out research aimed at securing the essential data related to the properties and uses of wood. Laboratories at Ottawa and Vancouver have amassed a most important record of information on all characteristics of all Canadian commercial timbers. Numerous studies have helped to determine the suitability of species of lesser importance for specific uses. The work of the Laboratories has also extended to many fields of wood uses. Studies in co-operation with industry will help to improve conversion practices, eliminate or reduce waste and, generally, to determine practices which can bring about more efficient utilization. So important is this work that the Federal Government is now building two new laboratories (in Vancouver and Ottawa) to promote more effectively the work being carried on there.

"The results of research by the Forestry Branch have been published on most subjects. These publications, which are widely available to industry, and others interested in forestry, constitute a proud and valuable record.

"Research in pulp and paper is carried out by a joint industrial-educational-government enterprise—the Pulp and Paper Research Institute of Canada. Though not directly concerned with the day to day management of the Institute the Federal Government until recently provided an annual financial grant towards its operation and maintenance. In order to make a substantial contribution for the next generation or so, the Federal Government decided to build still another new laboratory building—at the cost of 2.25 million dollars—at Pointe Claire for the Pulp and Paper Research Institute.

"Although I am proud of the Federal Government's research record, I recognize that much more remains to be done. I am aware, also, that as science progresses there are bound to be new and perhaps phenomenal developments. To maintain a position of ascendancy in forest production we must not lag behind others in progressive development. This necessarily involves the need for increased efforts and expansion in the fields of research. To these ends, and to provide adequate space and facilities still another laboratory is nearing completion at the Petawawa Forest Experiment Station.

"It would be wrong not to emphasize that the Federal Government's contribution to the fields of forestry and forest utilization extends beyond the work carried out in my Department. The Science Service of the Federal Department of Agriculture carries out an important programme of research aimed at lessening and, if possible, eliminating insects and diseases which have caused, and are still causing heavy losses in our timbered areas. All of you are doubtless aware of the importance and high quality of this work and these few words cannot adequately describe it.

"The Foreign Trade Services of the Department of Trade and Commerce have long devoted much attention and time to making known the value and qualities of Canadian forest products. Publications, prepared in co-operation with my Department, continue to be widely distributed in large volume. The monthly Trade Reports furnish information on demand in foreign markets and generally the Trade Service is active in furthering the interest of Canadian producers.

"Well, Mr Chairman, this may sound to many of you as an apologia for what the Federal Government is doing in the field of forestry! In a sense it is - and in another, it is not. I honestly believe that the Federal Government does not need to 'defend' or 'apologize' for what it is doing in this field. I do believe, however, that the very substantial, steady and continuous support which the Federal Government has given to protect, develop and utilize the forest resources of Canada has not always been fully understood or, indeed, appreciated. And those who have not always understood our aims are occasionally to be found among professional foresters.

"May I suggest that if the Canadian Institute of Forestry - which obviously contains the cream of the forestry profession - were able to formulate an articulated programme for the development and use of our forest resources which respected the facts of forestry and the practical realities in the various regions of Canada, they would be doing Canada a service of first importance. You may rest assured, Mr. Chairman, that if a plan were so formulated, the Institute and indeed the industry and the provinces will find that the Federal Government with public support is not only a good conservationist but also a not unco-operative or ungenerous one!"

NEW AIR TERMINAL: Transport Minister George C. Marler has announced that public tenders have been called for the construction of a new Air Terminal Building at Torbay Airport, St John's, Newfoundland, to provide extensive up-to-date passenger facilities. The building is expected to be completed late in 1957.

Mr. Marler said that construction is expected to begin at an early date, depending on the availability of structural steel. He said the new building would be located immediately west of the present terminal building and a new aircraft apron and a car parking area would be developed in conjunction with the project. The existing building would, he said, be modified to permit expansion of Department of Transport offices including meteorological and telecommunication facilities.

The building has been planned so that outward-bound passengers in proceeding to their aircraft will not have to cross the path of incoming passengers proceeding to claim their baggage near the exit. The rectangular plan provides for the entry of outward-bound passengers on the easterly side through which they will proceed to the airlines ticket counter on one side with adequate washrooms, a nursery and concessions conveniently located on the other. Deplaning passengers will be able to claim their baggage at a point near the exit doors on the main side, to which it will be conveyed mechanically after entering the building from the aircraft. Canopies will extend to the edge of the roadway at both main and side doorways permitting outward-and inward-bound passengers to enter and leave the building under cover.

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FOR ROYAL FLOCK: Her Majesty's flock of Canadian-born trumpeter swans will soon be increased by two cygnets, the Canadian Wildlife Service of the Resources Department has announced.

The young swans, both female, will join the rest of the royal flock at the Severn Wildfowl Trust in Gloucestershire, England, after a journey of approximately 5,600 air miles beginning at the swans' breeding grounds in the Grande Prairie area of Alberta.

Resources Minister Jean Lesage, in a letter addressed to His Excellency the Governor General, has requested Mr. Massey to inform Her Majesty of the addition to her royal flock. When the original gift was made in 1952 only five cygnets, three males and two females, could be captured and one female has since died. The present gift brings the flock to three-family strength.

The trumpeter swan whose blaring call issues strangely from so graceful and majestic a bird may attain a wing-spread of eight feet and live as long as fifteen or twenty years. The Canadian trumpeters have settled down well in their English home.

NEW MEMBERS: The Hon. Paul Martin, Minister of National Health and Welfare, has announced the appointment of three members to the Medical Council of Canada--Dr. Neil Macdonald, Windsor, Ontario; Dr. Leon Guerin-Lajoie, Montreal, Quebec; and Dr. Joseph E. Josephson of St. John's, Newfoundland. The appointments are for a term of four years to take effect from November 7, 1956.

The Medical Council of Canada is a statutory body authorized under Section 7 of the Canada Medical Act which was passed in 1911. Its purpose is to promote the establishment of uniform qualifications for the practice of medicine that will be recognized in all ten provinces. It also advises on medical examination qualifications and maintains a medical register of all practitioners to whom certificates have been granted.

Medical schools are in existence in all provinces of Canada with the exception of Prince Edward Island, Newfoundland and New Brunswick. While these schools grant degrees in medicine, medical graduates are required, as a condition to practising medicine in any province, to pass an examination set by the Medical Council of Canada. Additionally, the Council endeavours, through the medical schools, to bring about an increased degree of uniformity in curricula in the various teaching institutions.

The Council is composed of two members for each province representing the provincial licensing body, one member from each university or incorporated medical school, three members representing the homeopathic practitioners in Canada, and three members appointed by the Governor-in-Council.

* * *

OVERSEAS SCHOOLS: School registration for children of Canadian troops in Germany has reached the 2,052 mark, a record since Canadian Army dependents' schools opened in Europe more than two years ago.

The figure was given by Dr. Jean V. Martin of Montreal, supervising principal of the five schools operating for children of the 2nd Canadian Infantry Brigade Group. The figure represents an increase of almost 400 over last year's enrolment of 1,664.

This year a total of 75 classrooms are operating in four schools in the 2nd Brigade area in Germany as well as another five classrooms at Antwerp, Belgium, where the administrative element of the Canadian NATO formation is stationed.

A total of 93 civilians make up the teaching staff in the five schools this year, an increase of 22 over last term.

Of the 2,000 children, about half attend Grades one to four. In all there are 13 Grades one. Another 500 children are in grades five to eight and 132 are in the higher brackets of Grades nine to thirteen.

AGAINST OIL POLLUTION: The Department of Transport is giving consideration to making regulations to prevent oil pollution of Canadian waters by ships. The action follows a recent amendment to the Canada Shipping Act concerning this problem which has been under study by the Department in both its domestic and international aspects.

The proposed regulations will prohibit the discharge of waste oil from ships into both coastal and inland waters of Canada and provide penalties of a fine or imprisonment, or both, in cases of violations. Also included in the amendment is the power to implement an international convention for the prevention of the pollution of the high seas by oil when the required number of countries have accepted it.

Last year an investigation was conducted by the Department of Transport on oil pollution of the Canadian shores of the Great Lakes system from ships. The report noted, "There is need for concerted action on the part of the governments of Canada and the United States to protect the Great Lakes System from further oil pollution from ships. Ships, sailing the Great Lakes, cross the International Boundary during a voyage, and legislation, to be effective, must cover all of the navigable waters."

The Department's study of this situation resulted in recommendations which from the basis of the regulatory measures presently under consideration. Among others, investigation is being made into the development of oily water separators to be fitted on ships so that they may be in a position to separate polluting oil from their ballast water before discharging it overboard. Under consideration, too, is the establishment of reception facilities in certain Canadian ports for waste oil from ships.

Notices have been sent to pilot stations in Canada for delivery to incoming ships advising them concerning the dumping of oil or oil-contaminated water within territorial limits.

On an international scale, the Canadian government was represented by a Department of Transport delegate at the London, England conference which produced the International Convention for the Prevention of the Pollution of Sea by Oil, 1954. Delegations from 32 countries and observers from ten were present.

The convention sets out zones on the high seas into which the pumping of waste oils from ships shall be prohibited. A basic zone 50 miles wide off the shores of all signatory countries was set up and extended considerably more off the shores of Great Britain into the North Atlantic because of the serious pollution threat to northern European countries.

Also included in the convention is the carrying by ships of an oil pumping record book to assist preventive officers in their work. The acceptance and enforcement of the convention will be the first international action towards dealing with oil pollution on the high seas.

GRANTED LICENCE: The federal health department has granted a licence to the Eli Lilly Company of Indianapolis to distribute Salk vaccine in Canada. The Minister indicated that, in accordance with established practice, the inspection of the manufacturer's plant had been carried out and samples subjected to extensive tests for safety and potency at the federal Laboratory of Hygiene. These tests are identical with those carried out for Canadian-produced vaccine. In all respects the manufacturer's premises and the vaccine samples had been found completely satisfactory.

Mr. Martin indicated that this commercially manufactured vaccine would be distributed through usual commercial channels and would no doubt be available to private physicians for general use as in the case of other immunizing agents.

The health department, Mr. Martin emphasized, would continue, in co-operation with the provinces to provide vaccine under the National Health Programme for the immunization of children in age groups selected by provincial authorities. Vaccine used in the combined government programme has been manufactured at the Connaught Medical Research Laboratories in Toronto, which has already resumed its shipments to the provinces. It is expected that the Institute of Microbiology at the University of Montreal would shortly be in production.

In announcing the licensing of the commercially produced vaccine and the continuation of the government immunization programme, Mr. Martin stressed that all vaccine used in Canada from any source would continue to be subjected to the most rigid testing procedures. This broadening of the supply picture, Mr. Martin said, represents another step forward in the planned programme for the immunization of all those who may wish to receive this valuable protection, either under the government sponsored programme or from their private physicians.

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CHRISTMAS TREES: In the next few weeks car loads of Christmas trees will begin rolling across the United States border—the first stage on their journey from Canadian forests to thousands of American homes. In an article prepared for the Department of Trade and Commerce publication Foreign Trade, Assistant Trade Commissioner, D.M.W. Hummel points out that last year Canada exported 12.9 million Christmas trees worth \$5.9 million—and 12.8 million worth \$5.8 million were sold to the United States.

Last year about 2.25 million of these trees were unloaded at Chicago's Christmas Tree Track, a unique market. As many more were probably either received at Chicago and shipped on to other cities as far apart as Detroit and San Antonio, or were sold by Chicago wholesalers for direct delivery to widely

scattered points, particularly in the South and Southwest. Of the 400 cars of Christmas trees unloaded in Chicago during the 1955 season, 382 came from Canada.

Over 95 per cent of the Canadian trees unloaded at Chicago in 1955 came from the Maritimes, Quebec and Ontario; about 5 per cent were from British Columbia. Each year, shortly before the cutting season starts, representatives of the larger wholesalers go into the producing areas carrying cash and supplies of binder twine to tie up the tree bundles—and often their own labels, which are attached to the trees after cutting. In Canada they contract with local middle-men for the cutting, bundling and delivery of trees to rail cars. Often they are on hand during cutting and to ensure that the trees are of the promised type, quality and size.

A large dealer often purchases a substantial number of carloads. On his return to Chicago and well in advance of shipping, he sells many of these at wholesale throughout the country, frequently through his melon and grape business connection. Other cars are sold well in advance of arrival to chain stores, mail order firms with retail outlets, furniture chains and others. It is the custom of large retail houses to give the trees away or to sell them very cheaply to customers who purchase goods worth perhaps ten dollars or more.

Trees sold in bulk in this way often go for cost or a moderate profit. Their value to the Chicago wholesaler is that they allow him to make much larger and more advantageous contracts with Canadian suppliers. Thus the unit cost of the remainder of the trees which are delivered to and unloaded at the Chicago Christmas Tree Track is lower and profit possibilities greater.

Most of the Canadian trees sold in and through Chicago are balsam fir, tied into bundles of up to six trees. The newly popular Scots pine enjoys increasing demand but is considerably more expensive. It is, however, ideal for "flocking", a process which involves spraying the tree with a white plastic coating resembling snow. In spite of their price, flocked trees are becoming more popular, particularly for store, window and institutional decorations.

The custom of using Christmas trees is well-established in the United States among people of all walks of life and national backgrounds. With a growing population and limited domestic supplies, the demand for Canadian trees should continue to increase. The trade, however, is a hazardous one, dependent upon suitable weather at the right time for cutting and on prompt delivery. Members of the trade in Canada pay scrupulous attention to agreed shipping dates because a tree arriving only a day or two before Christmas is worthless. It is, in fact, a liability because it must be unloaded and burned.

TO DO "HAMLET": A.M. Bell, President of the Board of Governors of the Stratford, Ontario, Festival has announced that a ten week schedule has been planned for the 1957 Canadian Shakespearean season. The running dates will be July 1 to September 7. The productions will take place in the Stratford Festival's new permanent theatre, now under construction on the site of the former theatre-tent. Mr. Bell said that while the building will not be entirely completed by the summer season, the stage and auditorium, including the balcony, will be fully finished to provide better conditions for the 2,150 member audience.

Mr. Bell said that three Shakespearean productions are planned. Two of these are not yet finalized, but the third will be "Hamlet" with Christopher Plummer, young Canadian actor, who last season played the lead in the Festival production of "Henry V", in the title role. Tyrone Guthrie, co-founder of the Canadian Festival who is currently in New York directing the musical version of Voltaire's "Candide" will direct one play. Michael Langham will direct the other two productions.

Tanya Moiseiwitsch, British designer who has been at Stratford, Ontario, for the last four seasons will design two of the productions, with a guest designer from the United Kingdom designing the third.

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THE ST. LAWRENCE SEAWAY AND POWER PROJECT

.. Progress Report ..

Like a door flung wide in welcome to the Seaway that is to be, the massive concrete bulk of the new Iroquois Lock approach wall shines white in the sun to the gaze of captains guiding their freighters down the St. Lawrence from the Great Lakes, these days of late summer.

The high, long structure, part of the most westerly of seven locks being built on the St. Lawrence Seaway, is still beyond the reach of ships now passing through the Galop Canal or by the swift channel around Iroquois Point. But its rapid rise is symbolic of the pace of construction on the Seaway and Power Project as the work progresses into the second half of the five-year schedule.

The Hon. Lionel Chevrier, President of The St. Lawrence Seaway Authority, describes the Iroquois Point work, the rise of the concrete at St. Lambert Lock and Cote Ste. Catherine Lock as indicating a new phase of Seaway construction—the growth of structures.

Up to now the main work had been planning, design and excavation but now the major features of the navigation facilities are taking form, he pointed out.

Much excavation is still to be done. Miles of the channel in the shallow river-side and overland in the Lachine Section have still to be excavated. Dredging of the Seaway entrance at Montreal Harbour and of the channel in

reaches of Lakes St. Louis and St. Francis and elsewhere will continue for two more years.

Miles of these channels have been excavated or dredged by now, however. Several minor contracts and one major one have been completed in the Lachine Section. One of three dredging contracts in Lake St. Francis has been completed. Of the three contracts by which the Authority is enlarging part of the Welland Ship Canal to provide the Seaway depth of 27 feet, one is completed.

The work to be performed by The St. Lawrence Seaway Authority, Mr. Chevrier pointed out, is most diverse and extends over a very considerable distance.

The Authority must provide all the facilities in the Lachine Section, 31 miles in extent; in the Soulanges Section, 16 miles in extent; in the Lake St. Francis Section, 29 miles in extent; and in the Welland Section, 27 miles in extent. (In the Welland Section this entails deepening some 11 miles of the Welland Ship Canal to 27 feet from approximately 25 feet. And in the Soulanges Section, the Authority will use the Beauharnois Canal already in existence and in building two single locks for access to this canal.)

It also has considerable work to do in the International Rapids Section (for example build the Iroquois Lock). In this section the United States is building a canal and two

(Over)

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locks and the major works for the production of hydro electric power are being built.

Thus, the St. Lawrence Seaway Authority President stated, the Authority has work in progress over a distance of some 120 miles (from Montreal to Prescott) and then another 27 miles between Lake Ontario and Lake Erie.

The Iroquois Lock is one of five which the St. Lawrence Seaway Authority is building. The contract for it is a large one. Valued at \$6,470,000, it was awarded February 11, 1955, and is to be completed by November 30, 1957. Some 6,600 feet in length, the contract requires the excavation of about 4,500,000 cubic yards, or some 9,000,000 tons of material, mostly heavy glacial till. Over half of this part of the work has been completed, to which a gaping hole over a hundred feet wide, some thousands of feet long and 90 feet deep bears testimony.

In the deepest part of the excavation will be built the actual lock structure, over 1,300 feet long and providing a lock to Seaway dimensions of 800 feet in length, 80 feet in width and with 30 feet over the lock sills.

The downstream approach is the part that giant power shovels, and 22 ton trucks are now laboring to clear, working night and day, six days a week.

Meanwhile the upper entrance wall to the lock grows longer and higher with every day. Building this wall, the towering 275-ton gantry crane, aided by a smaller crane on treads, swings buckets of concrete weighing nearly ten tons at a time up from the trucks below which have brought the buckets of liquid concrete from the concrete mixing plant.

This is a white-powered structure built beside the excavation to provide the more than 600,000 tons of concrete which will be needed to build the Iroquois Lock. A nearby quarry supplies the aggregate, stone which has been crushed to the required sizes, and travels in an endless belt from the stockpiles to the hopper at the top of the mixing plant. Sand and cement from the standing silos and water are carefully weighed by machine and then tipped into the concrete mixers located below in the tower. The mixers churn the ingredients together until the concrete is ready and then are turned up to drop the mixture into the buckets carried by trucks which drive in below the mixers.

The trucks then carry the buckets down into the excavation to the foot of the gantry crane which lifts the buckets of concrete to pour their contents into the forms for the wall.

The upstream approach or entrance wall will extend over 3,000 feet when completed. Over half of it has been built to its final height of 47 feet now. Six feet wide at the top it broadens gradually down to 34 feet at the foot. One of its functions will be to serve for mooring ships proceeding downstream and waiting to enter the Iroquois Lock.

Beauharnois Locks

At Beauharnois, where the St. Lawrence Seaway Authority is building two locks for access between Lake St. Louis and the navigation channel of the Beauharnois Power Canal, contracts were awarded June 15 for the construction of the Upper and Lower Beauharnois Locks. The work here is in the excavation stage. The lock-building also entails the construction of a downstream approach from Lake St. Louis as well as from the Beauharnois Canal, upstream. Meanwhile excavation for a four-lane highway tunnel under the site of the future Lower Beauharnois Lock is making good progress.

Lachine Section

The concrete work for two locks is rising in the Lachine Section, the St. Lawrence Seaway Authority President resumed. Here the Authority is building the Cote Ste. Catherine Lock and the St. Lambert Lock.

The methods used to place the concrete at these locks are somewhat different from that at Iroquois Lock, and differ from each other. A constant feature at each lock site, however, is the high concrete mixing or "batching" plant, with its conveyor belts and piles of aggregate.

At Cote Ste. Catherine Lock tall, slender gantries have buckets of approximately one cubic yard capacity, fixed to the end of cables suspended from their long booms. The trucks bring the concrete from the mixing plant, but it is then poured from the truck bodies into the buckets, which are then lifted over the forms and the concrete placed.

Awarded in August 1955, the contract for construction of the Cote Ste. Catherine Lock is valued at \$7,107,480 and is to be completed July 31, 1958.

The work here extends a distance of 10,-500 lineal feet and in addition to the lock and approaches, it also includes the excavation of a turning basin downstream from the lock, the construction of regulating works for the control of the water level of the upper reach of the canal and the formation of a reservoir pool upstream from the lock.

Concrete work here calls for the use of some 1,750,000 bags of cement, as well as quantities of other materials.

In addition to much excavation, the contractor has placed the concrete for several of the monoliths, upon which the lock walls will be based.

The lift to be provided by this lock which will overcome the major fall of water in the Lachine Rapids, will be 30 feet.

St. Lambert Lock

Some seven miles downstream the first lock of the Seaway is being built at St. Lambert, on the South Shore of the St. Lawrence, op-

LIBERALS RETURNED: Premier Joseph Smallwood led his Liberal Government back to power in Newfoundland October 2 in the third provincial election since the Atlantic province joined confederation in 1949.

The Liberal party captured 32 of the 36 ridings, with the remaining 4 going to the Progressive Conservatives. In the last election, held in 1951, the Liberals won 23 seats and the Progressive Conservatives 5. Eight seats were added to the provincial house in a 1955 redistribution.

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NATO VISITOR: General Giuseppe Mancinelli, Chairman of the Italian Chiefs of Staff and Chairman of the Military Committee of the North Atlantic Treaty Organization for 1956, today ended a brief tour of Eastern Canada.

General Mancinelli and his party arrived at Uplands airport via RCAF aircraft on October 4 and were welcomed by the Chairman, Chiefs of Staff Committee, General Charles Foulkes, and His Excellency Sergio Fenoaltea, Italian Ambassador to Canada. The General then inspected a 50-man Tri-Service Guard of Honour, commanded by Capt. J.D. Morton. The Black Watch (Royal Highland Regiment) of Canada.

During his tour, General Mancinelli held meetings with the Minister of National Defence and the Chiefs of Staff, visited defence establishments in Ottawa, Kingston, and Barriefield, Ontario, and viewed the work being done on the St. Lawrence Seaway Project.

* * *

JOINT MEETING: The fifth meeting of the Joint United States - Canada Civil Defence Committee will be held at the U.S. Federal Civil Defence Administration headquarters in Battle Creek, Mich., on October 18-19. The Hon. Paul Martin, Minister of National Health and Welfare and chairman of the Canadian committee, will head a group of six senior Civil Defence and departmental officials taking part in the two-day session. Governor Val Peterson, Administrator for Federal Civil Defence in the United States, will be co-chairman of the meeting.

The two-nation committee was established in 1951 and is the sounding-board for joint Civil Defence planning and operation between the two countries. In the intervals between committee meetings, joint working groups provide a day-to-day resource for co-operative Civil Defence efforts of Canada and the United States. The working groups include such Civil Defence phases as medical and special weapons defence, welfare, training and education, legal, warning and communications, transportation, emergency operations, public information and evacuation planning.

Besides Mr. Martin, the Canadian Committee members who will be attending the meeting will be Dr. G.F. Davidson, Deputy Minister of National Welfare; F.F. Worthington, Federal

Civil Defence Co-ordinator; J.H. Cleveland, American Division Department of External Affairs; R.E. Curran, legal adviser, and M.P. Cawdron, Canadian Executive Secretary to the Joint Committee.

On the second day of the meeting, Lewis E. Strauss, Chairman of the Atomic Energy Commission, will speak on certain aspects of radiological hazards in the event of an atomic attack on the North American continent. Other U.S. officials who will be participating in the session will include Lt.-General C.P. Cabell, Deputy Director of the Central Intelligence Agency, and Major-General Norris B. Harbold, Vice-Commander of the Air Defence Command.

Canadian government officials who will be present at the meeting to discuss various problems in continental defence will include Air Vice Marshal L.E. Wray, General Officer Commanding Air Defence Command, who will address the Joint Committee on "Air Defence in Canada", and R.B. Bryce, Clerk of the Privy Council, who will speak on "The Role of Civil Defence in Civil Emergency Planning".

The last meeting of the Committee was held on July 8, 1955, in Ottawa.

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AID TO NAVIGATION: Henry Hudson would have fared much better in the Canadian Arctic had he had at his disposal the convenient aids to navigation carried by HMCS Labrador, Arctic patrol ship engaged in extensive survey of little known waterways of the Eastern Arctic during her support of DEW Line operations.

One of these aids is a microwave position fixing system developed for hydrographic work by the National Research Council. It has been simplified for use in the Labrador as a homing device for the ship's boats, which often find themselves out of sight of the ship, either because of ice or dense fog.

Apparatus on board ship consists of a microwave transmitter erected on the helicopter deck and radiating continuously over a wide sector. Each boat has a portable receiver which, when pointed in the direction of the ship's transmitter, emits a clearly audible buzz. This immediately discloses the bearing of the unseen ship to the boat's crew, who are then able to steer back with confidence.

The Labrador, since her arrival in the Far North in July, has completed an extensive oceanographic survey of Hudson Strait and Foxe Basin, and a hydrographic survey of a number of previously uncharted harbours for use as unloading points for supply vessels engaged in DEW Line logistics. She also printed charts for these vessels and convoyed them safely through the ice to their unloading destinations. The Labrador is now exploring hitherto untravelled Arctic waterways in search of a practical shipping route through the Northwest Passage.

RICHES OF THE SEA

Canada's total catch of fish during the first six months of 1956 amounted to 893 million pounds and was valued at 35 million dollars. This means, according to *Trade News*, published by the Department of Fisheries, that Canadian fishermen earned 40 per cent more than their postwar average and 25 per cent more than in the same period last year.

In the period of January to August 31, fish landed in British Columbia totalled 369 million pounds, in the Maritimes and Quebec, 350 million, and in Newfoundland, 169 million.

In the first three months of 1956 landings of Pacific herring and Atlantic haddock surpassed all previous winter experience; and the heaviest run of sardines in 10 years appeared in the Bay of Fundy. During the second quarter each of these three fisheries increased its lead over last year and the catch of some other fish also was heavier.

PACIFIC FISHERIES

When British Columbia's winter herring fishery ended in March, the catch was 200 million pounds and three million dollars ahead of last year. During the second quarter of the year, halibut fishing was the main activity. The catch was of about the same proportions as last year but, because of much higher prices, was more valuable by over a million dollars. At the same time, the troll fishery for spring salmon produced two million pounds more than last year and, at higher prices, earned the fisherman \$600,000 more. A lively market for packaged frozen fillets created a good demand for sole and ling cod and the catch of these species was two million pounds ahead of last year. Demand for scrapfish for mink feed, which almost doubled last year, took another spurt this year with the introduction of a new distribution method. The fish, largely turbot and red snapper, shipped whole, is now conveniently packaged in fifty-pound bags. Landings were four million pounds heavier than in the first half of last year. Then in June a summer herring fishery developed (there was none last year) and produced a catch of six million pounds.

After offsetting a drop in the shellfish catch caused by windy weather and scarcity of some species, these developments caused an increase over last year of 211 million pounds and about five million dollars.

ATLANTIC FISHERIES

On the Atlantic coast there was an extraordinary abundance of haddock and a record catch was landed. Sardines were more plentiful in the Bay of Fundy from mid-January to mid-February than at any other time since the war. Lobster prices established all-time records. The Newfoundland cod catch, rather disappointing up to June, forged ahead of last year dur-

ing that month. Encouraged by high prices on the New York market, Nova Scotia fishermen landed the biggest halibut catch in five years. Altogether, although flatfish, herring and pollock were less plentiful than last year and the smelt fishery was a failure, Atlantic landings were 12 million pounds heavier than in the first half of 1955 and the increase in fishermen's income amounted to \$1,700,000, or eight per cent.

Different areas contributed unevenly to this result. New Brunswick's sardine catch and Nova Scotia's haddock and halibut contributed significantly to the increase in quantity and their lobsters made up about one third of the increase in value. The spring herring catch in the Gulf of St. Lawrence showed as a large debit, especially in Quebec's figures, when compared with the record landings of last year; but was only about seven per cent smaller than in other postwar years. Newfoundland's unprecedented catch of 48 million pounds of haddock, together with the sudden improvement in its cod trap fishery in June, made this province the greatest contributor to the overall increase in landings.

Cod Catch Up

Newfoundland fishermen caught 169 million pounds altogether, valued at nearly five million dollars. Chief components were 80 million pounds of cod, the 48 million pounds of haddock and about 10 million each of small flounders, herring and caplin. The lobster catch placed third in terms of value, however, although it was down 22 per cent from last year and totalled only about 3½ million pounds. Landed values were \$1,700,000 for cod, \$1,300,000 for haddock and nearly \$1,000,000 for lobster. The increase in the cod catch was not fully reflected in its value since, with plentiful supplies, prices dropped a little at the quick-freezing plants.

Last year the schools of cod did not come sufficiently close to shore to be taken in traps but this year conditions were good for this fishery. Spring came early in the eastern province, a good run of caplin provided plenty of bait and, especially on the northeast coast, the cod moved inshore in large schools. Newfoundland's production of salted fish for the half year amounted to about 62,000 quintals of light salted fish (dry) and 76,000 hundredweights of heavy salted (wet), an increase over the same date last year of about seven per cent in the light salted fish and more than doubling the heavy salted. Market prospects were good for the fishermen, however, since stocks in the hands of exporters at the end of June were less than half what they were a year earlier.

It is worthy of note that this heavy salted production was accomplished in spite of the

freezing industry's competition for the shrinking labour force now available in the province for fishing and processing; and at a time when freezers were handling very heavy supplies of haddock. The 48 million pounds of haddock compares with 26 million last year, 18 million in 1954 and 10 million in 1953. Frozen groundfish production was nearly five million pounds heavier than in the first half of last year but stocks at mid-year were only about a million pounds higher.

Half or more of the salmon taken on the eastern coast is caught in Newfoundland, where in 1953 landings of three million pounds over the year brought \$700,000 to the fishermen. The scarcity of herring was most acute in Newfoundland, where landings were only half those taken in the same months of 1954 and 1955 and one-third of those in 1953.

Record Landings

In the Maritime Provinces, as in Newfoundland, the record landings of haddock contributed most to increase the catch. In the first half of 1947 these waters yielded 12 million pounds of haddock; in 1948 the catch doubled to 25 million pounds; in 1955 it suddenly doubled again to 50 million pounds and this year reached 58 million. And in June cod landings caught up to and surpassed those of last year, while a heavy concentration of small rosefish on the Banks was exploited briefly by trawlers for reduction plants.

Halibut was highly successful from April to June. Fishermen located plentiful supplies and were encouraged by high price levels to make a considerable effort. The output of this fishery is erratic. It tripled in 1948 and again in 1950, when spring landings totalled 4½ million pounds. Then for four years the figure was about two million pounds. This year it was 3.8 million.

Lobstering during the first quarter of the year was, like other inshore fishing, severely limited by rough weather. Demand was strong for frozen meat and shell lobsters; and at several points landed prices established all-time records, with a high of 95 cents per pound offered in mid-April. With such incentive, gear and even lives were risked and lost but the catch remained small until the season opened in May in the Gulf of St. Lawrence, where results were excellent. After some fluctuation, prices then settled at most points to 35 cents per pound for markets (large lobsters for the fresh meat trade) and 25 cents for canners. Freezing plants and canneries worked overtime but shipped as fast as they packed. Lobsters remained plentiful through June and the half-year catch was a little heavier than in 1955, while its value was higher by over half a million dollars.

In line with the very late spring, runs of herring, alewives and mackerel arrived in the Maritimes about three weeks later than usual. A run of large herring was located in the Gulf

of St. Lawrence in April but, because of high tides and drift ice, was little fished. Both large and small fish appeared briefly in May but landings were light and strong demand for bait competed with the requirements of smoke houses and marinating plants. These packs were smaller than last year but of higher quality. Alewives reached southern Nova Scotia and the Bay of Fundy in mid-May and the North Shore in June. Yarmouth marinating plants received most of the catch in that area; a small but high-quality pack was cured on the North Shore; the rest was readily absorbed by the market for lobster bait. Mackerel were not plentiful until June and then only in the Gulf of St. Lawrence. Landings for the half-year were a million pounds less than in 1955. The bulk of the catch was salted for lobster bait and most of the rest was pickled. The cure was about half that of last year. In terms of fishermens' income, figures covering the half-year's operations in the Maritimes show that by the end of March, thanks largely to the sea's bounty in haddock and sardines but partly also to high prices paid for lobsters, the men were a million dollars ahead of last year. And by the end of June they were \$1,700,000 ahead, thanks partly to continuation of high lobster prices and good haddock fishing but partly also to a good spring halibut fishery and an improvement in the cod catch.

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ATOMIC COURSE: Thirty-two officers, warrant officers and senior NCO's from the Army's five commands, organized into "atomic training teams", have completed a special two-week indoctrination period at the Joint Atomic, Biological and Chemical Warfare School, Camp Borden, Ontario.

This represents a stage in the Army's plan to provide radiation detection instruction to its Regular and Militia components.

The teams, each with an officer as a team leader, now return to their home commands and will travel from unit to unit instructing selected officers and NCO's who, in turn, will become responsible for the bulk of atomic training in their units. The team leaders receive an extra ten days of instruction.

The teams will be equipped with atomic training kits, which include small radioactive sources. They will conduct three-day courses for qualified instructors of Regular Army units, and evening elementary indoctrination courses for selected personnel of Militia units.

One of the tasks of the command teams will be to discuss with unit commanding officers methods of working atomic warfare subjects into normal unit training schedules.

In this way the Army expects to increase the number of personnel trained in radiation techniques, and at the same time to ensure that identical procedures are taught in each command.

STORM WARNING RADAR: Storm warning radar has undergone a successful testing period at Toronto's Malton Airport and is now on an operational basis. The equipment is being used by the Meteorological Services Toronto District Forecast Office and is the first of its type to be installed for this purpose in Canada.

Based on the radar principle, it provides precise warning of the presence of storm clouds and precipitation in the vicinity of Malton Airport up to ranges exceeding 200 miles. With the development of high flying, fast aircraft it has been found to be of special benefit in detecting storm conditions in the approach zones to the airfield and along nearby routes.

The storm warning radar at Malton will be used to assist the meteorological service in briefing air crews and warning aircraft of dangerous storm conditions in the let-down and ascent stages. In addition it provides valuable information for the preparation of short term weather forecasts for the Toronto area.

Although originally developed as an aid to aviation forecasting, the storm warning radar has been found to have many other meteorological applications. It enables the forecaster in a metropolitan region such as Toronto to obtain accurate and continuous observation of the position and movement of precipitation areas from which hour to hour forecasts can be prepared, if necessary. Accurate plotting of storm courses is of benefit to public utilities, particularly where damage to transmission lines may be anticipated. Electrical storms constitute a considerable fire hazard in forested areas and early warning of their approach could be useful in reducing their destructiveness.

Similar equipment of a more complicated type has been in use at Montreal's Dorval Airport for research purposes by McGill University in co-operation with the Department of Transport. The Malton installation is the first operational unit in this country.

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COMBINED EFFORT: The Air Standardization Co-ordinating Committee, composed of representatives of the Royal Air Force, the Ministry of Supply of the United Kingdom, the United States Air Force, and the Royal Canadian Air Force, held its 10th meeting at Air Force Headquarters, Ottawa, on October 1.

Under the chairmanship of Air Vice Marshal M.M. Hendrick, the RCAF's Air Member for Technical Services, the committee discussed mutual defence problems to ensure the greatest possible economy in the use of combined effort and resources.

Meetings of the committee are held at intervals of approximately one year, rotating between Canada, the United States, and Great Britain. In addition, close co-ordination is maintained with the Military Agency for Standardization of NATO.

TAX AGREEMENTS: Agreements between Canada and the Union of South Africa for the avoidance of double taxation in the fields of income tax and succession duties have been concluded in Ottawa. Mr. J.S.F. Botha, Acting High Commissioner, signed for the Union of South Africa and Mr. Stuart Garson, Minister of Justice and Acting Minister of Finance, signed on behalf of Canada.

The first agreement provides generally that each country retains the right to tax at the source income leaving that country while at the same time undertaking to grant relief from taxation on income in respect of which a tax has already been imposed at source in the other country. The same principle is applicable for the agreement on succession duties.

The agreements will be effective on the date of exchange of ratifications which will take place in Pretoria following the approval of the Governments of the Union of South Africa and Canada.

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DEVELOPMENT CONFERENCE: An Ontario wide Industrial Development Conference was convened by the Hon. W.M. Nickie, Q.C., Minister of Planning and Development, and A.V. Crate, Director of the Trade and Industry Branch of the Planning and Development Department, at the King Edward Hotel in Toronto on October 1 and 2. Sponsored by the Trade and Industry Branch of the Province, the Conference was attended by Mayors, Reeves and Councillors, and representatives of Industrial Commissions, Planning Boards, Chambers of Commerce, and other interested organizations throughout Ontario.

The object of the Conference was to further the industrial expansion efforts of Ontario municipalities and those attending were addressed by prominent representatives of Government and industry from both Canada and the United States. Included amongst the speakers were Dr. O.J. Firestone, Economic Adviser to the Rt. Hon. C.D. Howe; Walter Blucher, American Society of Planning Officials; Grant Crawford, Ontario Deputy Minister of Municipal Affairs; LeRoy Owen, President of the American Society of Industrial Realtors; and Nathan Tanner, President of Trans-Canada Pipelines.

* * * *

NEW PROCESS: A radically new method of electroplating copper on aluminum which promises to permit a wider use of aluminum in the electrical field has been developed by a Defence Research Board chemical engineer at Dartmouth, Nova Scotia.

The development may also prove useful in copper plating steel and other metals. If so, it would have the further advantage that less dangerous chemicals can be substituted for the cyanide copper solutions normally employed by industry.

THE ST. LAWRENCE SEAWAY

(Continued from P. 2)

posite Montreal. It will raise or lower ships using the Seaway some 15 feet between the level of the Seaway entrance channel below, and the Laprairie channel upstream.

The downstream approach walls of this lock are taking definite shape below Victoria Bridge. This bridge crosses the Seaway channel just below the site of the main St. Lambert Lock structure.

Here two methods are being used to place concrete. The approach walls are being built by pouring concrete into the forms from spouts on the rear of trucks which bring the material from the concrete-mixing plant at the lock site.

The monoliths for the lock itself are being built of reinforced concrete (as are all these structures) the concrete here being placed by a machine on tracks known as a "stacker".

It is a long pipe leading from a travelling conveyor belt which brings the concrete to the stacker feed end from the mixing plant.

The St. Lambert Lock contract is valued at \$7,399,472. Work began on it in January this year and it is to be completed by August 31, 1958.

Some 2,400,000 cubic yards of material had to be excavated for this lock and the concrete work will require the use of over 2,000,000 bags of cement, as well as stone, sand and nearly 2,000 tons of re-inforcing steel and rock anchors as well as many other fittings of iron and steel, including steel pipe for a water intake for the City of St. Lambert which is included in the contract, and mooring bollards for ships.

The next new phase into which Seaway construction has already started to move is the mechanical one, Mr. Chevrier said. Even now, lock bridges, electrical equipment, lock operating machinery and many other mechanical installations are being made in factories in many parts of Canada, on contract for The St. Lawrence Seaway Authority, he concluded.

HYDRO-ELECTRIC PROJECT

Significant construction advances have been made by Ontario Hydro work forces in all sections of the international St. Lawrence River hydro-electric project.

Progress of the famous development as the half-way point was reached is reprinted in the September issue of *Ontario Hydro News* as follows:

Since the first sod was turned on August 10, 1954 to officially inaugurate construction at the 1,640,000 kilowatt hydro-electric project, the work forces of Ontario Hydro and the Power Authority of the State of New York--the joint partners in the impressive scheme--have been accomplishing miracles in solving com-

plex engineering problems and pushing ahead to meet construction deadlines.

The first work on the development was to block the north channel of the St. Lawrence and divert all the water through the channel south of Barnhart Island. This was accomplished by cofferdamming the river in the upstream portion of the channel, between Sheek and Barnhart Islands with a rock-filled dam. Later, one of the world's longest steel-cell cofferdams was constructed between the Canadian mainland and the northeastern end of Barnhart Island, sealing off that 2½-mile portion of the channel. Just a little more than a year ago, this 2½-mile section of the river was pumped out, with approximately 650,-000,000 gallons of water being discharged into the lower river by huge electric pumps to dry up the river in less than five days.

First Phase

At this point, the project entered the first important phase of permanent construction. Great activity commenced behind the steel-cell cofferdam, with the contractor excavating in the river bottom for the foundation of the main dam, which is being built to include the powerhouses.

Work now is concentrated on building Ontario Hydro's powerhouse structure. A total of approximately 190,000 cubic yards of concrete (380,000 tons) has, to date, been put into permanent installations, including the "U" abutment, wing wall, ice sluices and the bases for six generating units. This affords a real contrast with the work stage a year ago, when first excavation had just commenced.

It is anticipated that the tempo of work will be accelerated in the months ahead, as construction in the powerhouse area advances away from the congested north end sector. Three big gantry cranes for handling concrete are now erected. Beneath these cranes, railway trains will be operating to speed the concrete to the placing areas. A fourth gantry crane will be added this fall.

At present, important foundation work is in progress at the north end of the Hydro powerhouse. Steel pier nosings are being placed for the discharge end of the draft tubes under the generating units. Erection of wooden forms for the first two draft tubes has enabled the placing of concrete. These forms will be dismantled later and used successively for each of the 16 units.

In the powerhouse area toward the international boundary, all earth excavation in the river bottom has been virtually completed. This has required the removal of more than 1,500,000 cubic yards of earth. Rock excavation has been completed for 12 of the 16 generating units. Dyke construction has been proceeding at an accelerated rate this summer, with major activity in sections 2 and 3, which extend from old No. 2 highway north and west approximately two miles. In section one,

stripping is in progress to take the dyke to the present Mille Roches area, where it will terminate. With fair weather conditions, some 14,000 cubic yards of material are being placed on the dyke each day. To date, about 27 per cent of the estimated 3,500,000 yards of compacted earth fill have been put into the dyke sections.

The contractor building the Cornwall Canal closure structure is making rapid progress with that phase so that the canal will be ready for the 1957 navigation season. At the closure structure for this new canal, a total of about 65,000 cubic yards of concrete has been placed in the wing walls and the centre block. The contractor also is progressing with excavation work in the west end section of the canal toward Lock 20. The new access tunnels under the diversion canal were completed and put into service in July this year. This gives a direct route to the powerhouse work area from old No. 2 highway.

Railway relocation work was resumed early this summer. All three contractors have been busy on grading operations. Track-laying and ballasting on the C.N.R. double track are proceeding rapidly from both ends of the 40-mile diversion. A total of approximately 36 miles of single track already has been laid.

In other sections of the project, channel improvement work is progressing favourably. Excavation is being carried out by the contractor at Galop Island, and about five million cubic yards of rock and earth have been

removed. Near Chimney Island, four dredges are working on channel excavation work.

At the new St. Lawrence Transformer Station, work on the 115,000-volt system has been completed. This station has taken over the entire load from the former Cornwall Transformer Station on old No. 2 Highway. Work is continuing on the St. Lawrence Transformer Station to enlarge it in preparation for handling 230,000-volt circuits from the Robert H. Saunders-St. Lawrence Generating Station in 1958.

House-moving operations at Iroquois have been essentially completed. Work is being concentrated on the shopping centre, schools, and churches for the new village. House-moving operations to make way for the new shopping area in Morrisburg have been finished.

In New Town No. 2, house-moving operations are in full swing. Homes are being transported from the adjacent villages to be flooded to the new town site, and some 20 homes already have been moved. House-moving will start at an early date in New Town No. 1. Construction of permanent roads, sewers, and watermains has been completed in New Town No. 2, and is progressing in New Town No. 1.

With the project nearing its mid-point, the work force on the Canadian side has now reached a total of approximately 4,100 persons and is nearly at the peak employment stage. Despite some setbacks this spring from the weather and other conditions, the work tempo has increased to such a degree this summer that nearly all phases of project work are on schedule.

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TRANS-ATLANTIC TELEPHONE CABLE

The first trans-Atlantic telephone call by submarine cable between Canada and the United Kingdom took place Tuesday, September 25, with impressive inaugural ceremonies marking the historic event.

The Hon. George C. Marler, Minister of Transport, spoke from Ottawa, over a gold-filled telephone set manufactured especially for the occasion, to the Rt. Hon. Dr. Charles Hill, British Postmaster General, in London, and Mr. Cleo F. Craig, President of the American Telephone and Telegraph Company, in New York. He expressed Canada's congratulations to the two countries who are joint owners with Canada in the \$40,000,000 project. Sir Gordon Radley, Director-General of the British Post Office, also spoke with Canada, Mr. Douglas F. Bowie, President and General Manager of Canadian Overseas Telecommunication Corporation, taking the call on behalf of the crown corporation.

The underseas cable development is a joint project of Canadian Overseas Telecommunication Corporation, the British Post Office, and American Telephone and Telegraph Company. Canada is provided with six high-grade telephone circuits in the new cable giving a quality to trans-Atlantic telephone conversations free from the difficulties frequently associated with the present radio-telephone. The cable will also provide Canada with additional telegraph channels improving the telegraph service between Canada and the United Kingdom, a feature of which will be the

developing of an overseas customer to customer telex service throughout the United Kingdom and Europe scheduled to commence early in November.

The trans-Atlantic section of the cable system, consisting of twin submarine cables, extends 1950 nautical miles (2250 statute miles) between Clarenville, Newfoundland and Oban, Scotland. Cables are some 20 miles apart on ocean floor. A single cable carries the trans-Atlantic circuits 300 miles westward from Clarenville across Newfoundland, through the waters of Fortune Bay to the mainland of Canada at Sydney Mines, Nova Scotia. Here, a microwave radio relay route takes over for the 575-mile stretch to Portland, Maine, where the system connects with the Bell System's United States telephone network.

Laying of the first trans-Atlantic cable, Clarenville to Oban, commenced June 22, 1955, and was completed in the autumn of 1955. Laying of the second trans-Atlantic cable, Oban to Clarenville, commenced in June 1956 and was completed last month.

HMTS MONARCH, the world's largest cable-laying ship laid the cable. Built in 1946, the 8,050-ton vessel is 480 feet long and has a capacity to carry 1,800 nautical miles of deep-sea cable. The ship has a crew of 130. While laying cable, Monarch steams at about six knots (i.e., six nautical miles of cable per hour will be laid). Cable is unwound and fed out by electrical winches from the drums in the Monarch's huge storage tanks and lower-

(Over)

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ed into the water over guiding sheaves. Great care had to be taken to avoid twisting or kinking of the cable as it went down.

Each of the trans-Atlantic cables contains 52 intermediate repeaters spaced about 40 miles apart. The deep-sea repeater employs three vacuum tubes and some 60 other electrical components. It is housed in a flexible copper tube about eight feet long and 1.75 inches in diameter. This is supported on the inside by steel rings to form a structure that is built into the cable and appears as a tapering bulge. This design permitted the repeaters to pass through the cable ship's gear, so that laying was orderly and uninterrupted.

The single cable between Sydney Mines and Clarenville uses amplifiers at 16 intermediate points. Repeaters for this section are of British design and manufactured in England. The British repeater is of the rigid type, housed in a forged steel case, 9 feet long and 10.5 inches in diameter, and weighs about three-quarters of a ton.

The cable will provide 36 high grade voice channels free from the annoyance of interruptions which at times do occur with present day radio-telephone service. One of the voice channels will be used to provide additional telegraph circuits designed to implement and improve telegraph service to and from Canada.

* * * *

TRIPARTITE AGREEMENT: The Governments of Canada, the United Kingdom and the United States have entered into an agreement interchanging rights in inventions and discoveries in the atomic energy field on which patents were held or applied for by one Government in one or more of the other countries as of November 15, 1955.

The purpose of the tripartite agreement is to allow internal use of the inventions in each country by Government and industry without interference of the other governments. This is done by a "cross assignment" of rights, under which each government assigns to the others the rights, title and interests owned by it in the other countries. Each assigning government retains a non-exclusive, irrevocable, paid-up licence on each invention for its own purposes and for purposes of mutual defence.

The exchange gives full rights to each government in its own country and permits it to grant licences to industry in accordance with national policy. A non-discrimination clause in the agreement binds each government to grant licences to nationals of the other governments on the same terms accorded its own nationals.

The agreement is expected to be of particular benefit to the growing private atomic energy industries in each of the signatory countries by eliminating questions of patent infringement. Firms engaging in home manufacture will need licences only from their own governments and, in view of the agreement's

anti-discrimination provision, firms of one country engaging in business in one or both of the other countries cannot be discriminated against by the governments of the other countries.

All inventions and discoveries which are the subject of government-owned patents or patent applications as of November 15, 1955, are affected. These are of two classes:

One group is made up of inventions known as "CPC" (combined policy committee) inventions which arose out of wartime collaboration among the three governments. In these cases, the inventors assigned their rights to the governments employing them, and the patent rights obtained or applied for were held in trust pending settlement of the interests of the three governments.

The second affected group are inventions and discoveries which, though within the co-operative arrangement, were developed independently and are owned by one government.

The cut-off date of November 15, 1955, was selected as a matter of convenience. The intent of the agreement is that the interchange of rights shall cover the period during which atomic energy operations were largely a government monopoly in each of the three countries. The agreement does not commit the governments for the future.

"CPC" inventions total about 50, and patent applications have been filed on many of them in all three countries. The number of patents or patent applications relating to work carried on independently of the wartime co-operative arrangement amounts to several hundred. Many of the applications are still classified, and this consideration has limited the number of patents issued so far.

* * * *

STRAIT CONQUERED: HMCS Labrador, first naval vessel to navigate the Northwest Passage, has become the first ship to make an east to west passage of Fury and Hecla Strait between Baffin Island and Melville Peninsula, 250 miles north of the Arctic Circle.

The Labrador, which had been taking part in the seaborne supply of the Distant Early Warning (DEW) Line, left the Foxe Basin area, in company with USS Edisto (icebreaker), to carry out a survey of Fury and Hecla Strait, Gulf of Boothia, Prince Regent Inlet, and Bellot Strait.

After the Labrador squeezed through the strait's narrow section between Ormonde Island and Melville Peninsula, a hastily prepared scroll commemorating the event was presented by the ship's company to the commanding officer, Captain T.C. Pullen, of Oakville, Ont., and Halifax.

Previous passage through the Strait was in 1948 when two United States icebreakers, the Eastwind and Edisto, went through from west to east in returning southward from Resolute Bay.

SEAWAY DEVELOPMENTS

The St. Lawrence Seaway Authority was host to the United States St. Lawrence Seaway Development Corporation September 27 and 28 on a tour of the Seaway, from Montreal to Lake Erie. The Hon. George C. Marler, Minister of Transport, accompanied the party and Mr. Lewis G. Castle, Administrator, headed the group from the United States Seaway Development Corporation. On Friday, September 28, Mr. Wilber M. Brucker, Secretary of the Army of the United States, joined the group in Montreal.

On the morning of Thursday, September 27, the United States and Canadian party boarded a Great Lakes Freighter at Port Colborne, Ontario, for an inspection of the Welland Canal as far as Thorold, Ontario, proceeding to Montreal that same night.

The next day, Secretary Brucker and the United States Seaway party were conducted by the St. Lawrence Seaway Authority on a tour of the Lachine, Soulange, Lake St. Francis and International Rapids Sections of the Seaway. For this part of the tour The St. Lawrence Seaway Authority also had as its guests some 200 industrialists, businessmen and shipping executives. The party inspected the construction works, including the St. Lambert Lock, the Côte St. Catherine Lock, the Lower and Upper Beauharnois Locks, which the Authority is building.

The Authority entertained its guests at a luncheon at the Cornwallis Hotel, in Cornwall, Ontario. In the afternoon the group inspected works at the Iroquois Canal and Lock and the power works in the International Rapids Section, including the construction of the Power Houses at Cornwall and Barnhart Island, together with some of the Seaway facilities of the United States mainland.

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WIDESPREAD BENEFITS: "We are dropping a big stone in the pool and the ripples will reach distant shores. For the benefits of the Seaway will be felt in one way or another in such areas as New Quebec and Labrador, in the grain-growing areas of our Western Plains, and in the industrial areas surrounding the Great Lakes". Thus did Hon. Lionel Chevrier, President of The St. Lawrence Seaway Authority summarize the effects of the St. Lawrence Seaway in his address as guest speaker at a luncheon of the Board of Trade of the City of Toronto held September 20 at Cornwall, Ontario.

Earlier in his address the speaker had described the functions of the different agencies involved in the development of the St. Lawrence River from both the navigation and power angles. Mr. Chevrier drew attention to the important part played by the International Joint Commission, to the St. Lawrence River Joint Board of Engineers established to review and co-ordinate the approved plans and specifications of works on the river. There

are also the International St. Lawrence River Board of Control, and the International Lake Ontario Board of Engineers, whose duties relate to water levels and regulation of discharge of water in the International Rapids Section and in Lake Ontario. The speaker also summarized the functions of provincial agencies, namely the Hydro-Electric Commission of Ontario and the Quebec Hydro Commission, responsible for hydraulic developments, and of the Saint Lawrence Seaway Development Corporation of the United States, and The St. Lawrence Seaway Authority of Canada, charged with their respective country's participation in the work for navigation.

Emphasizing on his general statement as to the effects of the Seaway in Canada, the speaker reminded his audience that discussion of the Seaway Project has always been closely tied to the subject of marketing Western grain. As the speaker could foresee, the result of the Seaway will be that, grain will be carried down from the Lakehead to Montreal and lower St. Lawrence ports in large lake vessels that today must stop at Prescott. The potential economies of such movements, even with the addition of the Seaway toll, are such that will undoubtedly eliminate much of the present trans-shipments that are now necessary.

IRON ORE TRAFFIC

Of the new traffic which the Seaway will obtain one of the most significant is iron ore. In adding to the additional ore need of the steel industry in the Great Lakes area, and in making up any long-term decline in Lake Superior ore, the Quebec-Labrador ore fields have become of first importance. "The completion of the Seaway" affirmed the speaker, "is a logical step in connecting these ore fields to the most important markets."

Another class of traffic which will increase with the opening of the Seaway is the export and import traffic with Europe and other overseas points. This traffic, pointed out the speaker, has been building up in volume ever since the end of the war; a growing number of services are being provided; trade connections are being developed. "Concurrently with the Seaway," continued Mr. Chevrier, "port improvements and channel improvements are proceeding, of which the Port of Toronto itself provides an outstanding example. In the long run, perhaps it is this trade, based on the savings to be obtained by direct shipment by water, which will provide the most conspicuous evidence of the Seaway's existence deep into Great Lakes territory. This will bring a greater consciousness of the importance and value of foreign trade to our own prosperity."

Concluding his remarks, the speaker pointed out that a measure of the probable success of the Seaway is already apparent in the volume of investment that private industry has committed itself to make in order to take full

advantage of one of the revolutionary developments in our economic history. "For us in Canada," affirmed Mr. Chevrier, "I feel the most important consequences of the Seaway will be to turn the attention of industry and the general public of the middle western states northward. Already there is evidence from the lower St. Lawrence to Lake Superior of new industrial expansion, most still in the planning stage, but much also in progress based in large part on the conditions to be provided by the Seaway."

* * *

VISA AGREEMENT: A non-immigrant visa modification agreement has been concluded in Ankara by the Canadian Ambassador to Turkey and the Turkish Minister for Foreign Affairs, a.i.

Under the terms of the agreement, Canadians who are in possession of valid passports may visit Turkey for a period up to three months without previously obtaining Turkish visas. Turkish citizens, who are in possession of valid passports, will be issued free visas valid for an unlimited number of entries into Canada during a period of twelve months from date of issue of such visas.

With the signing of this agreement, Canada has completed non-immigrant visa modification agreements with the Republic of Austria, Belgium, Denmark, France, The Federal Republic of Germany, Italy, Liechtenstein, Luxembourg, Monaco, The Netherlands, Norway, Sweden, Switzerland and Turkey whereby Canadian citizens are permitted entry without visas. In addition, agreements have been entered into with Finland, Israel and Japan under which Canadian citizens are granted visas free of charge for entry into these countries.

* * *

ROYAL VISIT: HRH Prince Savang Vatthanna, Crown Prince of Laos, paid his first visit to Canada September 21-23. The Crown Prince was accompanied by his daughter, Princess Savivan, by His Excellency Qurot R. Souvannavong, the Ambassador of Laos to the United States, and by Mr. Chao Sopsaisana, Chief of Protocol in the Royal Laotian Government.

HRH Prince Savang and his party were met at Ottawa by the Speaker of the House of Commons, The Hon. Rene L. Beaudoin, and by the Chief of Protocol, Mr. E. D'Arcy McGreer and officials of the Department of External Affairs. During his stay in Ottawa, the Crown Prince conferred with the Under-Secretary of State and other officials of the Department of External Affairs, visited the Parliament Buildings, and was a guest of the Government of Canada at a luncheon at the Country Club with Mr. Beaudoin as host.

The Laotian guests journeyed by air to Quebec City September 22 and were welcomed there by Mr. Lionel Massey, Secretary to His Excellency the Governor General and by repre-

sentatives of the federal, provincial and municipal governments. A 100-man guard of honour was provided by the 3rd battalion, the Canadian Guards, and the band was from the Royal 22nd Regiment. There was a 21-gun salute by the 6th Field Regiment. After his arrival, Prince Savang was received by His Excellency the Governor General at the Citadel. That evening the Crown Prince was the guest at a state dinner given on behalf of the Government of Canada by Senator Paul Henri Bouffard, Q.C. On September 23 the party visited points of interest in Quebec City and left for Washington that afternoon.

Canada has been a member since 1954 of the International Supervisory Commission for Laos and has developed close ties with that country which have been further strengthened by the co-operation of the two countries in the Colombo Plan.

* * *

HELICOPTERS HELP: Six helicopters of the Royal Canadian Navy's anti-submarine helicopter squadron, HS-50, are assisting the Royal Canadian Air Force in maintaining an air-lift of personnel and equipment to the Mid-Canada Line in the Labrador area. Because of the urgency of completing the line, the naval aircraft were withdrawn from autumn and winter sea exercises in the Bermuda area.

Approximately 50 officers and men are serving with the naval helicopters, which operate out of Knob Lake. The RCAF provided an airlift to fly ground crew, equipment, and spares to Knob Lake.

Naval pilots, plus some ground crew to maintain the aircraft en route, flew the helicopters on the 850-mile flight from Shearwater, Nova Scotia to Knob Lake. They arrived at Knob Lake September 23.

Naval personnel are accommodated in the RCAF barracks at Knob Lake, but groups operating out of the base on the air lift live in temporary shelters along the route.

Fourteen officers, including the squadron's pilots, engineer and electrical officers, are among the naval personnel serving on the air-lift.

* * *

VISITS ICELAND: The Secretary of State for External Affairs, Mr. L.B. Pearson, visited Iceland on his way home from a meeting of the NATO Committee of Three which he attended in Paris.

Mr. Pearson arrived in Reykjavik on September 24, and was given an official dinner that evening by the Icelandic Government. He remained in Iceland for two days, during which time he held informal talks with members of the Icelandic Government, and other prominent Icelanders. On September 26, Mr. Pearson gave a dinner for his Icelandic hosts. He left Iceland on the evening of September 26.

BUSTLING WEST COAST PORT

If the Suez development resulted in any lessening of the present competitive advantages which Middle East producers of petroleum have in Western markets, the growth of tanker petroleum exports from Vancouver might develop to "sizeable proportions".

Mr. George C. Marler, Minister of Transport, made this statement in the course of an address at the recent Port Day luncheon of the Vancouver Board of Trade, during which he reviewed planned expansions of Vancouver harbour facilities to meet anticipated growth of the West Coast port's foreign trade.

The building of the trans-mountain pipeline to Vancouver has had the effect of creating changes in the pattern of international petroleum movements, Mr. Marler said. As a result, Vancouver has become an exporting centre for tanker petroleum products and has reduced imports of crude oil from 1,200,000 tons in 1952 to a mere 6,000 tons in 1955.

"During the past eight months tanker exports of quite substantial volume have commenced from this port to California and trans-Pacific shipments are now an early prospect." Mr. Marler added that he had been advised that "there are good reasons to expect that you will see a steady growth in outbound tanker traffic."

Referring further to "the current problem of the Suez Canal" Mr. Marler expressed the view that "even without any change in the pattern of tanker movements that might result from some adverse development in the present situation, there is likely to be a steady growth of tanker petroleum exports from Vancouver."

GRAIN SHIPMENTS

Dealing with other exports from Vancouver, Mr. Marler spoke of the recent shipments of 400,000 tons of grain to Russia this year under the agreement entered into with that country last spring whereby between 400,000 and 500,000 tons of grain would be purchased from Canada annually for three years. "There is no reason to believe that the shipments in the next two years will not also pass across the North Pacific through Vancouver and thereby add to your world-wide grain trade," he said.

Another important grain trade connection was Japan and Mr. Marler pointed out that exports of grain shipped from Vancouver to that country amounted to 1,000,000 tons in 1955 as compared with only 1,607 tons in 1946. "In the post-war period the younger generations of Japanese have markedly changed their eating habits toward the consumption of more bread and other grain products," he added.

While expressing unwillingness to predict the future of anything so fluctuating as grain shipments, the Minister of Transport said that "some people in the grain trade believe that there is a reasonable prospect that Japan will become as large a market for Canadian grain products in the next twenty years as Great Britain has been in the past." He commented that "If this belief should prove to be well founded, such a development would have a substantial impact upon the future of your harbour."

Another factor that will bring new and additional grain trade through the port of Vancouver was the reduction of rail export rates on flax from the Prairies and Mr. Marler said that "this reduction places Vancouver on an equal footing with the Lakehead and will permit flax to follow its natural trading pattern."

HARBOUR EXPANSION

Plans of the National Harbours Board for Vancouver harbour expansion were announced by Mr. Marler. A new waterfront terminal would be constructed west of Ballantyne pier at a cost estimated at around \$8,000,000. Work on this project was now in the planning stage and he expected construction to commence in 1957. Also included in the Commission's plans was the renovation of Grain Elevator No. 2 which was now in progress and the reconstruction of grain galleries to Jetty No. 1.

With a view to emphasizing the growing importance of the port of Vancouver to Canada's waterborne trade, Mr. Marler compared its traffic with the port of Montreal although he said that "comparisons are difficult because circumstances at different places are never quite the same." He said that National Harbours Board records showed that Vancouver handles many more ship movements than Montreal. In 1955 a total of 32,773 vessels arrived in Vancouver in comparison with 5,227 at Montreal. Of this total Vancouver, however had only 1,336 ocean-going arrivals as compared with Montreal's 1,905. Inbound and outbound cargo totals showed that Montreal with 15,-841,000 tons led Vancouver which had 10,985,-000 tons. Comparison of these figures with the pre-war year of 1938 showed that "in the case of Montreal there has been no change of a substantial nature, whereas in the case of Vancouver the total tonnage handled at the port has increased by nearly 73 per cent." Mr. Marler added that this increase "fully establishes the growing importance of Vancouver."

MEMORIAL DEDICATED: Canadian soldiers marched through the once shell-rubbled streets of Cassino, Italy, on Sunday, September 26, turning the clock back more than a dozen years.

The occasion was a solemn one; the dedication of the Cassino War Memorial in the memory of 4,068 Canadian, British and other Commonwealth soldiers who died in the fighting there and who have no known graves. The ceremony was performed by the former Governor General, Field Marshal Earl Alexander of Tunis.

From the 2nd Canadian Infantry Brigade Group in Germany, one officer and 15 senior NCO's, all veterans of the Italian campaign, took part in the unveiling. The contingent was under the command of Major John Praysner, CD, 44, of Sault Ste. Marie, Ontario, a member of the 1st Battalion, The Royal Canadian Regiment.

Cassino, with its nearby monastery hill in the Liri Valley, is remembered above all other Italian towns for the stubbornness of its defence by crack German parachute troops.

The war memorial, built by the Imperial Graves Commission, consists of a formal garden with an ornamental pool from each side of which rise marble pillars. On these pillars are recorded the names of the more than 4,000 officers and men who died.

Also representing Canada at Cassino was the Canadian Ambassador to Italy, Pierre Dupuy, and the Adjutant General of The Canadian Army, Maj.-Gen. Michael L. Brennan. Ambassador Dupuy placed a wreath on the memorial during the unveiling ceremony.

* * *

PARTY LEADER RESIGNS: The resignation of the Hon. George Drew as leader of the Progressive Conservative Party was announced September 21 at a press conference held in Ottawa.

In his letter of resignation, addressed to Léon Balcer, M.P. President of the Progressive Conservative Association, Mr. Drew said that, although his doctors had assured him that in a few months he would be restored to full health, they had advised that it would be extremely unwise for him to take on the heavy strain of a Session of Parliament and an election campaign so soon after his illness.

A former Premier of Ontario, Mr. Drew, who sat as Member of Parliament for Carleton County, Ont., was elected Conservative leader at a convention in 1948, and since that time had headed the Opposition in the House of Commons.

STRATFORD FUND DRIVE: The campaign to provide the funds necessary to provide a permanent theatre for the Stratford, Ont., Shakespearean Festival has now reached the \$700,000 mark, according to an announcement released from Festival headquarters. Contributions have come from all parts of Canada and from many donors, both large and small.

In reviewing this total amount, Mr. Maxwell Meighan, national campaign chairman, paid special tribute to the work that Stratford itself has done. "Stratford was not only the first community to reach its objective of \$100,000, but in a matter of a few weeks, oversubscribed to the amount of \$142,000, or over \$7.00 per capita," said Mr. Meighan.

As the campaign is continuing, over 60 men are busy constructing the new theatre. Already the preparatory work for the foundations of the new permanent building is well under way and keeping up to the time schedule set out in order to have the building ready for rehearsals in May, 1957.

It has been decided by the national campaign leaders to continue on with the drive to raise the \$1,500,000 necessary over the next few years, to fully equip and furnish the building for the complete comfort of the audience and actors and to provide the necessary landscaping to maintain the atmosphere which the tent has created over the past four years.

* * *

NAMED TO COMMISSION: Fisheries Minister James Sinclair has announced the appointment of Fred D. Mathers, of New Westminster, B.C., as one of the Canadian members of the International Pacific Salmon Fisheries Commission. He succeeds H.R. MacMillan, of Vancouver, who has resigned from the Commission after serving since 1952.

The International Pacific Salmon Fisheries Commission, which is charged with the protection, preservation and extension of the Sockeye salmon fishing of the Fraser River, is made up of three Canadian and three United States members. The other two Canadian Commissioners are Senator Thomas Reid, of New Westminster and A.J. Whitmore, Chief Supervisor of Fisheries, Pacific Area, for the federal Department of Fisheries. United States commissioners are Elton B. Jones, Robert J. Schoettler and Arnie J. Suomela.



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BELIEVES MANPOWER PROBLEMS MANAGEABLE

Although not suggesting that there is no immediate shortage of scientists and engineers in Canada or that there is no potential problem in connection with facilities for university education, the Rt. Hon. C.D. Howe, Minister of Trade and Commerce, contends that Canada's manpower problems are manageable if met with intelligence, resourcefulness, and vigour.

Mr. Howe expressed this view in an address entitled "The Engineer And The Scientist And Canada's Growing Economy," delivered at the recent conference of Canadian industrialists and educators held at St. Andrews-by-the-sea, New Brunswick, to consider the situation in relation to the supply of scientists and engineers in Canada.

With reference to future needs for trained personnel, Mr. Howe said that the vital necessity is to supply the universities with greater facilities in buildings and staff.

To meet the current and immediate shortage of engineers and scientists, attention should be given to a better and more efficient use of "the engineers we are producing and have in our midst", Mr. Howe states.

The Minister felt that any effort to force an undue proportion of Canada's competent youth into engineering or science or any other activity would be wrong, and that the forces of free enterprise, through voluntary means of interest, aptitude, opportunity, and reward, would bring about the most effective allocation.

Excerpts from Mr. Howe's address follow:

"This subject of a shortage of scientists and engineers in Canada and what it may do to us in holding back economic progress, in jeopardizing our national security, in encouraging Canadian professional personnel to move to the United States, has become so filled with emotion as to becloud the real issues involved. Before dealing with the problem itself, I would therefore like to remove some of the cobwebs from it.

"The first cobweb is the claim that Canadian economic progress is being retarded by the lack of scientific and technically-trained personnel in Canada. I would be the first to admit that not every firm in Canada, or the Government for that matter, can find exactly the type of engineer or technician it wants, at the salary it wants to pay or at the time it needs him. But we seem to have had in Canada a sufficient number of engineers and scientists, able and well-qualified, to make it possible for our economy to expand at a rate never before experienced in the history of this country.

"Canada's national output increased by something like 10 per cent last year, and this year we may be doing about as well. Do you know what the rate of Canada's economic expansion has been over the last half a century? The answer is: about 3½ per cent per annum. In other words, we are expanding at about three times the rate of Canada's long-term economic growth.

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"No country in the world can expand at that rate without being short of manpower of one type or another. It is only natural that shortages of professional personnel would be more notable than those in other categories. If you add high school and university training together, it takes ten years or even longer to train a professional man. Hence, shortages in this field cannot be corrected overnight. It takes time for an economy to adjust itself to rapidly growing demand, whether it is for manpower or for goods and services. What I think is most remarkable is that notwithstanding some of the manpower shortages this country has faced in the professional and skilled categories in the post-war period, we have chalked up new economic records.

SECURITY NOT JEOPARDIZED

"The second cobweb I would like to remove is that our national security is being jeopardized because of a shortage of scientific and engineering personnel. Our National Research Council, our Atomic Energy Limited, our Defence Research Board and our Armed Forces have in their employ a large number of scientists and engineers who compare well with the best men in their fields in the world. Canada is a large country in area and endowed with a multitude of resources but is still one with a comparatively small population. Our defence efforts are part of the much larger endeavours of the western world and other like-minded nations to set up a bulwark against aggression. Like these countries, we are devoting as high a proportion of our resources to defence as international, strategic and economic considerations counsel us to do. In our defence efforts we are paying a great deal of attention to technological progress, research and scientific work. We have excellent men doing this type of work. In an emergency no doubt we could get many more. But I can certainly see no evidence that our national security is being endangered by a shortage of professionally-trained personnel....

"There is still another cobweb which I would like to remove. This is the claim that one of the major reasons for Canada's continuing shortage of engineers and scientists is the large numbers leaving this country in search of greener fields in the United States. Well, the facts do not support this claim.

"The United States is a country with a population ten times the size of ours. It is therefore natural that the States offer greater and more diversified facilities for graduate training, research and for employment generally, with pay scales as a rule being higher than those in Canada. Something like 500 Canadian engineers have been finding jobs in the United States annually over the last several years. But in turn we have had American engineers coming to Canada, as well as a number of Canadians returning home. In addition, we have had quite a heavy movement of engineers from the United Kingdom and other

countries in Western Europe. Our inflow of engineers has averaged about 1,600 per year over the last three years. We therefore have had a net gain of over 1,000 engineers per year. Or to put it differently: for every engineer who has left Canada for the United States in this period, three have come to Canada to take his place....

"The opportunities for Canadian engineers and scientists to do well in Canada have been growing by leaps and bounds. More and more corporations, both Canadian and branch plants of American or other foreign firms, are establishing research facilities in this country and are undertaking a growing programme of both theoretical and applied scientific work. There is a growing recognition that Canada cannot afford to remain wholly dependent on the results of research and scientific work done abroad. We have special problems in certain fields, and only Canadians are concerned enough to take the trouble to solve them. This expansion in Canadian research facilities by business, universities and governments offers additional incentives for Canadian professional personnel to make the best of the opportunities that our rapidly growing economy offers.

TWO IMPORTANT FACTORS

"I would like to turn now to the key point with which your Conference has dealt: that there is a significant shortage of scientists and engineers in Canada, and that the situation might get worse if all groups in Canada concerned with education and the training of manpower do not make a concerted effort.

"I understand various views were expressed as to the reason for this shortage: the lack of encouragement to young people, inadequate training facilities and not enough educators, scholarships and bursaries too few in number and insufficient in amount to help worthy students through college, employment opportunities less attractive than those available in the United States, not enough research done in Canada, and so on. I am sure that these are all factors contributing to the situation we are facing at present. But to me the two most important factors are:

"First, the demand for technically-trained people is at a record level because of the very rapid expansion of our country in the last few years. As you know, the rate of economic growth of a free enterprise country like ours varies from time to time, and we therefore cannot expect to be always on top of a boom.

"Secondly, the young people graduating in engineering and science from our universities today were the babies born between 1931 and 1934. Well, in the thirties with economic conditions depressed, marriages were falling off and so were births. In this period fewer young men took up engineering courses, and this would affect the current supply of senior

A BUOYANT ECONOMY

Striking evidence of the buoyancy of the Canadian economy was provided in reports issued last week by the Department of Labour and the Dominion Bureau of Statistics.

In a joint release on the employment situation, issued September 18, the Labour Department and the Statistics Bureau reported that manpower resources in Canada were fully occupied during August and that there was little or no change in the already low level of unemployment as a slight increase in the labour force was absorbed by a corresponding increase in employment.

On the same day, the Bureau of Statistics announced that recent sharp gains in Canada's seasonally adjusted gross national product had continued unabated in the second quarter of 1956, the increase in the first quarter amounting to more than 3 per cent.

Details of these reports follow:

THE EMPLOYMENT SITUATION

At August 18, 1956, the number of persons with jobs in Canada was estimated at 5,823,000, some 34,000 higher than in July and 182,000 higher than in August 1955. The number of persons without jobs and seeking work and the number registered at National Employment Service offices showed very little change during the month.

The demand for farm workers was stronger than usual during August, employment in this sector increasing by almost 50,000. Non-farm employment declined slightly, primarily owing to a temporary shift of workers from logging and construction to agriculture to meet harvesting requirements.

The slight shift from non-farm to farm activity eased labour shortages in a few areas but the situation tightened in others with the result that the number classified in shortage increased from 21 in July to 27 in August. Supplies of available labour in most skilled construction trades and for farm and harvest hands and loggers continued short. At September 1, 1956, only 5 of the 109 local labour markets were not in either balance or shortage. The area classification was as follows (last year's figures in brackets): in shortage 27 (5); in balance, 77 (93); in moderate surplus, 4 (10); in substantial surplus, 1 (1).

The civilian labour force totalled 5,926,000 in the week ended August 18, 1956, compared with 5,891,000 in the week ended July 21, 1956. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

Of the 5,926,000 in the labour force, 5,093,000 or 85.9 per cent worked full-time (defined as 35 hours or more) in the August survey week, 317,000 or 5.4 per cent worked less than 35 hours, 413,000 or 7.0 per cent had jobs but did not work during the survey

week, and 103,000 or 1.7 per cent did not have jobs and were seeking work. Classed as not in the labour force are such groups as those keeping house, going to school, retired or voluntarily idle, too old or unable to work, and these numbered 4,807,000.

The survey provides additional information about those who worked less than full-time and those who had jobs but were not at work. Of the 317,000 who worked less than 35 hours in the August survey week, 205,000 or 3.5 per cent of the labour force, were regular part-time workers, while the remaining 112,000 or 1.9 per cent of the labour force, included 18,000 on short-time, 23,000 who were ill, 25,000 who were on vacation and 46,000 with other reasons. Of the 413,000 or 7.0 per cent who had jobs but did no work during the survey week, 398,000 usually worked full-time and these included 328,000 on vacation and 49,000 who were ill.

During the corresponding week in 1955, there were 5,772,000 in the labour force of whom 4,980,000 worked full-time, 303,000 worked less than 35 hours, 358,000 had jobs but did no work during the week, and 131,000 did not have jobs and were seeking work. There were 4,785,000 classed as not in the labour force.

Additional information regarding the unemployment situation is provided by another series of data, i.e., applications for employment on file at National Employment Service offices of the Unemployment Insurance Commission. On August 16, 1956, applications on file at these offices numbered 170,100, a reduction of 9,100 from the total for July 19, 1956 and a decline of 27,700 from the level existing August 18, 1955. The reduction from the previous month was due to a decline in applications on file in all Regions, with the exception of Ontario in the following order; Quebec 6,900, Prairie Region 6,200, Atlantic Region 3,900, Pacific Region 1,500. The increase in the Ontario total amounted to 9,500.

Compared with the same month one year ago, all Regions participated in the overall decline except the Pacific Region where applications on file remained substantially unchanged.

GROSS NATIONAL PRODUCT

The latest advance has brought the level of gross national product to an annual rate of \$29.5 billion, compared with \$28.6 billion in the first quarter of this year. It appears that about two-thirds of the increase over the first quarter of this year was represented by a gain in the physical volume of production, price factors accounting for the balance of the rise in value. In the first half of this year gross national product rose by more than 10 per cent in value terms and by between 6

per cent and 7 per cent in terms of the physical volume of production, compared with the same period of a year ago.

Three major developments have emerged as the dominant features of the first half of 1956. These have been the very high levels of fixed capital investment expenditures currently being undertaken by business, the high rate of business inventory accumulation, and the heavy current account deficit or import balance, which averaged \$1.2 billion at seasonally adjusted annual rates in the first half. Total final expenditures by all groups, plus investment in inventories, were running at an annual rate more than \$4 billion above the corresponding period of 1955. Business investment in plant and equipment and in inventories together accounted for close to one-half of this total increase. At the same time, about one-third of the total \$4.0 billion increase was met out of imports rather than Canadian production, alleviating to some extent the demand pressures being placed on Canadian production.

Prices Climb.

These sharp advances in the national expenditure have been accompanied by some upward movement in prices in most of the components of gross national expenditure. Prices have risen overall by about 3 per cent since the second quarter of the last year, about 1 per cent occurring in the second quarter. The most pronounced increases since a year ago have been in the non-residential construction and machinery and equipment categories where price factors (including costs) showed a gain of about 7 per cent. The price (and cost) factor in residential construction was up 5 per cent and export and import prices (on the national accounts basis) were up by 3 per cent and 4 per cent, respectively over a year ago. Consumer prices overall have risen by only about 1 per cent in the year-over-year comparison.

The rise in output between the first and second quarters of this year was concentrated in durable goods manufacturing and in construction. The increase in the durable goods group amounted to 5 per cent, with large gains recorded for transportation equipment (up 22 per cent), non-ferrous metals (up 8 per cent), and electrical apparatus and supplies (up 5 per cent). The iron and steel group, which moved upward in the first quarter, remained level but was producing at a rate about 15 per cent above a year ago.

Associated with the above increases in output, the industrial composite employment index rose by 3 per cent above the first quarter, after allowance for seasonal factors. This most recent increase brought the index to a level 7 per cent above a year ago. The number of paid workers in the non-agricultural labour force was 6 per cent above the second quarter of a year ago. The number of persons

without jobs and seeking work amounted to about 3 per cent of the total labour force in the second quarter of 1956. Compared with one year ago, the number of persons without jobs and seeking work had declined by about 23 per cent.

These increases in output and in employment in the second quarter were accompanied by the largest advance in labour income since the latter part of 1950. Corporation profits were also higher in the second quarter with a gain of about 5 per cent over the first quarter.

On the expenditure side, all of the major demand categories showed increases in the second quarter, contributing to the gains over a year ago as noted earlier. A single exception was investment in inventories, where the rate of accumulation slackened from the extremely high level of the first quarter. Investment in plant, machinery and equipment continued to move forward rapidly. Residential construction, which declined in the first quarter, showed an advance as housing completions rose; however, the fall-off in housing starts in the last few months indicates that the rise in completions is temporary. Durable goods purchases, which had also fallen off in the first quarter as automobile sales declined, moved upward in the second quarter as seasonally adjusted sales of new passenger automobiles rose 30 per cent above the first quarter level. Imports and exports, seasonally adjusted, continued to rise sharply and the deficit on current account showed little change from the first quarter rate.

Widespread Gains

The latest gain in labour income has raised the level of wage and salary payments to a point about 11 per cent above the second quarter of 1955. The increase over a year ago reflects a rise in the number of paid workers amounting to about 6 per cent, with the balance accounted for by an increase in hourly average earnings. Average hours worked per week in manufacturing showed little change from a year ago. The gain of 5 per cent which occurred between the first and second quarter of this year appears to reflect an increase of 3 per cent in employment in the main non-agricultural industries, the balance being accounted for by increases in average hourly earnings.

The gains in labour income from the first to the second quarter of this year were widespread but were especially marked in construction and in durable goods manufacturing. Agriculture, forestry, mining, public utilities, transportation, storage, communication, trade and the service industries were all higher in the second quarter.

The large gain in labour income in the second quarter was accompanied by an acceleration in the rate of consumer spending. Personal expenditure on consumer goods and services rose by 3 per cent (compared with 2 per cent in the first quarter), with gains occurring in

the durable, non-durable and services groups. This latest increase has brought the level of personal expenditure on consumer goods and services in the second quarter to a point about 7 per cent above the second quarter of 1955.

Consumer expenditure on durable goods, which was moving downward in the first quarter showed a sharp rise in the second quarter (of 9 per cent), reflecting for the most part an upturn in sales of passenger automobiles. Total personal expenditure on durable goods was up about 11 per cent over the second quarter of a year ago.

Consumer expenditures for non-durable goods and for services were up 2 per cent and 3 per cent, respectively over the first quarter of this year, and 6 per cent and 7 per cent, respectively over the same period a year ago. From the first to the second quarter, the gains in non-durable goods purchases were widespread, affecting all groups with the exception of clothing purchases which showed a decline. It may be noted that Easter occurred in March of this year and that Easter sales are included in the first quarter figures. Relatively little movement has occurred in the price of consumer goods as a whole over the course of the past year; at the total level, an increase of only about 1 per cent is shown. This increase from a year ago is largely attributable to higher prices for services, with small declines in the price of durable goods offset by a small advance in the price of non-durable goods. Since the end of the second quarter of this year, non-durable prices have shown a further advance, as food prices have been rising.

The rising level of consumer expenditure in the second quarter was supported by a sharp increase in disposable income which rose by almost 5 per cent. This was largely attributable to the very marked advance in wage and salary payments which has been noted previously. Since consumer expenditure rose less sharply than disposable income, there was a substantial rise in the rate of saving in the second quarter of this year, from \$1.4 billion in the first quarter to \$1.8 billion. The latter figure constitutes about 9 per cent disposable income compared with about 7.5 per cent in the first quarter.

* * * *

EQUAL PAY ACT: Hon. M.F. Gregg, Minister of Labour, has announced that the Female Employees Equal Pay Act will come into force on October 1, 1956, and the issuance of a proclamation to such effect has been authorized.

The Act provides that female employees doing work which is identical or substantially identical to that being done by male employees shall not be paid at rates of pay less than the rates of pay of such male employees.

The Minister of Labour stated that copies of the Act were being sent out to employers

and trade unions concerned in operations coming within federal jurisdiction. Such operations include railways, water transportation, navigation and shipping, canals, telegraphs, airlines, radio, banks, other works of an interprovincial or international nature or which have been declared to be for the general advantage of Canada or of two or more provinces.

Employers and trade unions have been asked to review their policies in the light of the provisions of the Act.

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OFF TO SEA: Four warships of the First Canadian Escort Squadron sailed from Halifax September 19 on a two-month training cruise which will take them to ports in the Azores, Ireland, the United Kingdom, and continental Europe.

The squadron consists of the destroyer escorts Algonquin, Huron, Iroquois, and Micmac. HMCS Assiniboine, a new destroyer escort which commissioned at Sorel, P.Q., on August 16, will join the squadron during the latter part of the cruise and return to Halifax in company.

First port of call will be Ponta Delgada, in the Azores, on September 24. Sailing again the same day, the squadron will proceed to Dublin for a six-day visit, Sept. 28-Oct. 4. Subsequent calls will be made at Londonderry, Oct. 5-19; Belfast, Oct. 19-23; Southampton, Oct. 24-31; Lisbon, Nov. 8-13, and Ponta Delgada again, Nov. 15-16.

The ships are scheduled to return to their Halifax base on Nov. 21.

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ATTENDING CONFERENCE: The Canadian delegation to the conference on the statute of the International Atomic Energy Agency which opens tomorrow at United Nations Headquarters in New York is headed by Mr. M.H. Wershof, Q.C., Assistant Under-Secretary of State and Legal Adviser for the Department of External Affairs. Mr. W.J. Bennett, O.B.E., President of Atomic Energy of Canada Limited, is a delegate.

Mr. Wershof and Mr. Bennett are being assisted by the following advisers from various government Departments: Mr. Sidney Pollock of the Department of Finance; Dr. J.D. Babbitt, Scientific Attaché at the Canadian Embassy in Washington; Mr. Donald Watson, Atomic Energy of Canada, Limited; Mr. W.H. Barton, Mr. D.H.W. Kirkwood and Mr. G.G.J. Grondin of the Department of External Affairs and Mr. M.A. Crowe of the Permanent Delegation to the United Nations in New York.

Representatives of members of the United Nations or of one of the Specialized Agencies will study a draft statute prepared, at the suggestion of the General Assembly of the United Nations, by a twelve-power working level meeting in Washington.

AID TO NEW CANADIANS: Many Red Cross international activities are undertaken on behalf of New Canadians, among whom are the 2,775 adults and 442 children who were introduced to this country in 1955 through the Port Nurseries in Halifax and St. John.

These activities were reviewed in some detail in the annual report of the Canadian Red Cross Society for 1955.

Co-operative efforts of the Enquiry Bureaus of the Canadian Red Cross Society and sister Red Cross societies resulted in tracing 327 persons with whom their families had lost contact.

HELP ON ARRIVAL

One of the busiest departments at national headquarters is that dealing with immigration from Eastern European countries. During 1955, 131 Greeks, mainly children, and five other nationals were reunited with their families in Canada. The largest single group yet to come to Canada, 61 persons, arrived in early April, accompanied by the National Commissioner who, at the request of the Department of External Affairs, had gone to Hungary to complete the medical examinations and make other arrangements for their exit. No one who has not witnessed the arrival of one of these groups can visualize the joy of the families on being reunited. Tribute must be paid to the cordial co-operation received from the National Red Cross Societies of the U.S.S.R., Roumania, Hungary, Poland and Czechoslovakia, and the competent and friendly assistance given these immigrants in transit by the British, Belgian, Netherlands, Danish and Swiss Red Cross Societies. The excellent facilities of Trans-Canada Air Lines in both Canada and Europe have been made freely available to us and the success of the project has been in a large measure due to the sympathetic and understanding co-operation of its officers.

The Society is continuing to make every effort to intercede on behalf of applicants with next-of-kin in Canada who have received provisional approval for entry to this country. Our thanks are due to the Departments of External Affairs, Citizenship and Immigration, and National Health and Welfare, as well as British and Canadian diplomatic missions abroad, for their active co-operation. At the present time, over 300 such cases are pending.

Through the Junior Red Cross, more than half of all the boys and girls in Canada are learning to know and appreciate the children of other countries by means of exchange of school correspondence, art, music and crafts. In August, high school students participated in the first international study centre to be held in the western hemisphere. Organized, operated and financed jointly by the American and Canadian Junior Red Cross sections, it was held at Queen's University, Kingston, Ontario, with 103 delegates from Jamaica, Greece, Japan and Yugoslavia, in attendance.

STUDYING OIL INDUSTRY: The Canadian oil industry is being studied by Mr. K.D. Malaviya, M.P., Minister of Natural Resources of the Government of India, who is spending ten days in this country. Chairman of India's recently established power, oil and natural gas commission, Mr. Malaviya will meet with Federal and Provincial government officials concerned with oil developments in Saskatchewan and Alberta fields as well as with officials of privately owned oil companies in Canada.

The Government of India has made extensive plans to establish and develop an oil industry. Canada has already provided assistance to this programme in the form of two magnetometer surveys, which were given under the Colombo Plan. One of these was an aerial magnetometer survey of mineral resources, in particular petroleum in Rajasthan, carried out within the last year. A survey was also made this spring of the Ganges Basin.

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ROCKET LAUNCHINGS: The Arctic launching site for rockets at Fort Churchill, Manitoba, will be ready in October for its part in the International Geophysical Year (IGY) to begin officially next July. This has been announced by Dr. Joseph Kaplan and Mr. F.T. Davies, chairmen respectively of the United States and the Canadian National Committees of the IGY.

The Programme of rocket launchings in the Arctic is part of the intensive international study of the earth, the atmosphere, and the sun, to be conducted over the entire world from July 1957 to December 1958. From this programme scientists of all nations hope to gain a better understanding of the earth's structure and various effects in the atmosphere such as aurora and airglow, cosmic rays and solar activity.

Rocket experts chose Fort Churchill for two reasons: it is readily accessible, and it lies within the "Arctic auroral belt" where Northern Lights are most easily observed. The rocket launchings are part of a scientific effort to explore the atmosphere in the Arctic to a height of 180 miles. Aerobee rockets will be used for high altitudes and smaller two-stage rockets for lower altitudes.

Scientific instruments carried by the rockets will measure density, temperature, pressure and wind velocities in the Arctic atmosphere at heights never before studied. They will also take measurements of the ionosphere--the upper region of rarified, ionized gas between 50 and 250 miles above the earth's surface--which reflects radio waves in long-distance communication. The rockets will record effects of the sun's light at high altitudes, and such phenomena as Northern Lights, cosmic rays, and the earth's magnetism. The Fort Churchill programme will be tied in with similar rocket flights to be made by the British, Australians, French, and Japanese during the International Geophysical Year.

UNESCO DELEGATION: The Department of External Affairs has announced the composition of the Canadian delegation to the ninth session of the General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) which will be held in New Delhi, India, from November 5 to December 5, 1956.

Mr. Leonard W. Brockington, C.M.G., Q.C., D.C.L., will be the chairman of the delegation. The deputy chairman and principal adviser will be a senior officer of the Department of External Affairs.

The other members of the delegation are: Delegates: Mr. Lionel Bertrand, M.P. for Terrebonne, Quebec; Senator Donald Cameron, Edmonton, Alberta, Director, Department of Extension and Banff School of Fine Arts, University of Alberta; Lt. Col. F.T. Fairey, M.P. for Victoria, B.C.; Alternate Delegates: Mrs. John Bird (Anne Frances), Radio and television commentator, Ottawa; Professor Jean-Charles Falardeau, Director, Department of Sociology, Laval University, Quebec; Dr. Leon Lortie, Professor of Chemistry and History of Science, University of Montreal; Mr. John C. Parkin, President, Canadian Arts Council, Toronto; Mr. Freeman K. Steward, Executive Secretary, Canadian Education Association, Toronto.

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NATO CONFERENCE: Navy, Army and Air Force officers of eight NATO countries met in the United Kingdom last week at the invitation of the Canadian Bureau of Current Affairs for a five-day conference on international affairs under the chairmanship of Harry R. Low, the Canadian Current Affairs Director for the armed forces.

The delegates represented Britain, France, The Netherlands, Norway, Italy, Greece, the United States, and Canada.

The meeting took place at Christ Church College, Oxford, and was the second such conference held under Canadian auspices in the past two years. The conference administrator was H.S.C. Archbold of Victoria, B.C., the Current Affairs Adviser for Canadian forces in Europe.

The delegates, including 23 Canadians, heard world prominent lecturers and authorities speak on such topics as the foreign policies of Yugoslavia and the Soviet Union, problems in the Middle East, SEATO, and some of the problems of Western Europe today.

Speakers included Prof. Norman H. Gibbs, of Oxford University; Lord Birchwood, of the Royal Institute of International Affairs, and Marshal of the Royal Air Force Sir John Slessor.

The Canadian officers attending were from the 2nd Canadian Infantry Brigade Group in Germany, from the RCAF air wings in France and Germany, and from the Canadian Joint Staff in London.

ATOMIC AGRICULTURE: Canadian agricultural scientists are putting radio-active materials from atomic energy plants to use in many valuable fields of research. Just as the discovery of the microscope enabled the medical scientist to identify and follow the movement of living disease organisms that could not be seen with the eye, use of these radio-active elements (known as isotopes to the scientists to distinguish them from the same elements when not radio-active) has made it possible to identify and follow the path of these elements through living tissues and accurately measure the quantity present in any part of the plant or animal at any period of growth. Their use permits it to be done far more rapidly than by the old method of chemical analysis and without injury to the living plant or animal.

Extremely minute quantities of a number of elements such as phosphorus, calcium, cobalt, carbon and others, used by plants and animals in their growth, when made radio-active, can be mixed with much larger, non-active, quantities of these elements and makes the absorption and movement of these elements within plant and animal tissues easily followed.

SPECIAL INSTRUMENTS

Instruments to measure these movements have been adapted from the familiar Geiger counter and are so sensitive that the amount of carbon given off in an animal's breath can be detected and measured.

Chemists engaged in animal nutrition research at Science Service, Department of Agriculture, Ottawa, have used radio-active carbon and calcium to trace the movement of these two elements in the animal's system and determine the method by which the animal converts them into bones, meat and milk.

In western Canada wool grown in an area deficient in sulphur was a basis of study. Tracers of radio-active sulphur mixed with additional non-active sulphur and fed to the ewes was discovered not only in the wool of the ewes themselves but in the wool of lambs later born to those ewes.

Scientists at the University of Saskatchewan have used radio-active phosphorus in numerous experiments to determine the form of phosphorus in fertilizers, most readily used by plants. Their tests indicate that for Saskatchewan prairie soils ammonium phosphate is the form most readily available for grain crops.

Measurements of the phosphorus taken up by plants at different stages of growth revealed that most of the phosphorus supplied through fertilizers is taken up by wheat plants prior to the heading out stage. After heading the plants continue to take up quite large quantities but it is taken from phosphorus from the soil rather than from the fertilizers. In their experiment, approximately 22 per cent of the fertilizer phosphorus was recovered by the growing plants.

INTERNATIONAL ASSISTANCE

Reviewing the international relief programme carried out in 1955 by the Canadian Red Cross Society, the National Commissioner, W. Stuart Stanbury, M.D., reported that probably never in the history of the Canadian Red Cross Society has assistance been given to so many countries in one year.

In his outline of the Society's activities for the 1955 Annual Report, Dr. Stanbury pointed out that shipments were made directly from Canada to 33 countries, while drugs were ordered through the League of Red Cross Societies for three others and supplies shipped from the League warehouses to still two more, making a total of 38 countries assisted. Details of Dr. Stanbury's report follow:

"The accomplishments of the 30,000 voluntary sewers and knitters in the Women's Work Committee were outstanding. 515 cases of new clothing and bedding having been shipped directly to 13 countries and 203 cases to the League warehouses for issue in disaster, at a cost in raw materials alone of \$146,026. In 1955 the Committee decided to concentrate mainly on assistance to refugees, 303 cases being shipped to the Near East and 42 to Germany.

"International relief was provided by the Junior Red Cross at a cost of almost \$90,000, of which nearly \$18,000 applied to divisional shipments of health kits, school supplies, toys and clothing, while the balance comprised expenditures from the Junior Fund for International Understanding.

MEDICINES SUPPLIED

"Assistance was made possible through the general funds of the Society at a cost of \$58,841, including approximately \$25,000 in drugs for India and \$10,000 for Pakistan following the disastrous floods in those countries. A small shipment of anti-typhoid vaccine, urgently required in the British West Indies following the hurricane, was despatched by air. It is very gratifying to be able to report that, due to the generosity of Trans-Canada Air Lines, Pan American Airways and Pakistan International Airlines, all these drugs were delivered to their destination without one dollar to the Society in freight charges.

"Sixty orders for drugs were placed through the League for patients in six Iron Curtain countries, mainly on behalf of relatives in Canada. This, a most appreciated service, although involving a great deal of work for the League as well as for the national staff, is conducted at practically no cost to the Society, as reimbursement is received in nearly every case.

"During Miss McArthur's term of service as Associate League Co-ordinator in Korea, both the Senior Society and the Junior Red Cross concentrated a large portion of their international relief in Korea. In 1955 the Junior Red Cross allocated \$20,000 for a self-help fund for the Korean Junior Red Cross, \$15,000 for 'Hope City', a self-help installation for war-orphaned homeless boys, and almost \$9,000 for the Children's Tuberculosis Sanatorium at Inchon. The senior Society's allocation of \$15,000 was used as a contingency fund on which Miss McArthur could draw for emergency and unbudgeted expenditures of the Korean Red Cross, such as disaster. In September 1955 the Korean Society was granted recognition as a full member of the League of Red Cross Societies and at the end of the year the League representative was withdrawn. The Korean Red Cross Society is to be congratulated on its remarkable recovery from near-extinction due to war. Both the Korean Society and its Government have paid generous tribute to the contribution made by the Canadian Red Cross Society and Miss McArthur received two citations for her services, one signed by President Syngman Rhee as Honorary President of the Korean Red Cross, and one from the Republic of Korea Department of Health for her contributions to the health of the nation. A lasting memorial to her is the new nurses' residence at the Seoul Red Cross Hospital which was named 'McArthur Hall' in her honour.

VARIED GIFTS

"The cost of international relief in 1955--Women's Work Committee, Junior Red Cross and general funds--was \$294,453. This figure does not express the total value of international relief provided through the facilities of the Canadian Red Cross Society as the Women's Work Committee has reported on the cost of raw materials rather than the value of the finished articles and no designated funds administered by the Society are included. Again the Government of Canada expressed its confidence in Red Cross by providing \$100,000 for the purchase of drugs and blankets for India and Pakistan. The Rotary Club of Edmonton added \$1,000 for drugs for Pakistan. The Royal Canadian Air Force provided five aircraft to carry all the drugs and the majority of the blankets; the balance of the blankets were shipped by sea. Tinned baby food valued at over \$20,000, a gift of Canadian Canners Limited, was shipped by the Junior Red Cross to eighteen countries. Disbursements from the Greek Earthquake Fund for supplies to Greece mounted to over \$9,000.

BELIEVES MANPOWER PROBLEMS MANAGEABLE

(Continued from P. 2)

men. Hence one of the important reasons why we are currently pinched for technically-trained personnel is to be found in the depressed economic conditions that prevailed in the thirties.

"Compare this situation with economic conditions in Canada in the post-war period. We have had a high level of prosperity of remarkable continuity, couples have been getting married in larger numbers and at younger ages, the birth rate is considerably higher, and the incentive and opportunities to get a college education are much greater.

"In looking to the future we are facing an entirely different situation than that faced by the generation of the 1930's. Their outlook was one of doubt and uncertainty. The outlook of the present generation is one of confidence and self-reliance. Neither business or government knew very much about how to cope with the economic difficulties we faced then. We hope that we have learned our lessons and that we will do better if we encounter serious problems of economic adjustment in the future.

BROADER PROBLEM

"To me the problem is a much broader one than whether we need this or that number of engineers or scientists and how we can get them. It is not, as some see this problem, just a crisis in education, or even a question of adequate technical training of Canada's manpower. What we really should be asking ourselves are these two questions:

"First, at what rate do we want to see Canada's economy grow, and in fact what rate is really practical if we want to maintain Canada's national entity and our type of free society? To expand, it is true we need more engineers and scientists, but so do we need many other people in all walks of life.

"Secondly, even if we are making effective use of our resources both human and those given to us by Nature, how can we guard against the occurrence of the kind of serious economic setback we experienced in the 1930's? For there is nothing that will cure a shortage of engineers and scientists as quickly as a depression, but that is certainly not the kind of solution we want....

"We want to see the Canadian economy grow as rapidly as humanly possible without forcing that growth or directing it into unproductive channels. We do not want to encourage inflation nor do we want to build up high-cost industries that cannot stand a measure of competition. What we do want is balanced economic growth; we want to expand our resources industries to meet the growing need of the world and of our own country for industrial materials; we want to do as much processing here as we can and still be competitive; we want to

encourage the growth of our manufacturing industries to cater to our expanding domestic market and to sell in foreign markets where possible; we want Canadians to participate to an increasing extent in the development of our resources and manufacturing industries initially financed by foreign firms; we want to expand our educational and other training facilities, to do more research, and to provide opportunities to prosper for our technically-trained personnel, as well as for other people.

"If we are to achieve all this, and I believe we are moving in this direction, the incentives for our younger people to choose the right occupations will be there. And there will be, I am sure, a continuing desire on the part of people in other lands to come to this country to participate in this process of building up a bigger and better Canada.

THE REAL THREAT

"I am not suggesting that these things will happen of their own accord. On the contrary, we will need a lot of constructive thinking such as you have done during this Conference, followed by persistent action. But what I am saying is that the emphasis should be on what we could do to help our country to continue to expand as rapidly as appears feasible, getting the necessary manpower, capital and managerial and scientific know-how we must have in this age of the atom and electronics.

"The real threat to Canada's future is not that we may be short of a few engineers or scientists--as long as we are prosperous we will always want more technically-trained personnel than we have--but that our economic growth should slow down, that we should sit back content with our progress and little concerned as to whether or not we are making the most effective use of our resources. A strong and rapidly growing Canada is the best assurance for national survival which we can offer to our children and grandchildren in this uncertain world of ours.

"To turn now to the question of the supply of engineers and scientists, I am confident that if we succeed in maintaining a more or less continuing expansion of our country, we will get the engineers and scientists we need. What we have to guard against is a recurrence of a depression of the kind we experienced in the 1930's, for in such a situation the engineers and scientists are among the first to feel the brunt of its impact. The belt-tightening process for business usually involves a drastic reduction of capital expenditures, which inevitably leads to unemployment among engineers in junior positions. Then as the depression gets worse, many industries feel that they can suspend or cut back significantly their research budgets. And this hits the scientist and engineer even in senior positions.

"Looking to the future, I am confident that Canadians will tackle with imagination and vigour the various problems they are facing whether they are questions of assuring a continuing growth of our economy or whether they are matters of finding the people properly qualified to make this expansion possible. One of the reasons why I feel so confident that we will be training and retaining in Canada an increasing number of scientists, engineers and other technically-trained people is the growing national awareness of the importance of this subject.

"Your Conference here is just one example of this national awareness. In recent years we have had a goodly number of meetings of people interested in and concerned with this problem. Provincial and municipal governments and our educational institutions, which in Canada carry the prime responsibility for the education and training of our young people, have spent large and increasing amounts to create the capital facilities we need and to secure competent teaching personnel. In the last decade alone, something like \$1.5 billion was spent on building and equipping educational facilities in Canada.

"Industry itself, particularly in recent years, has taken a leading part in encouraging our younger men to enter the scientific and engineering professions and to offer them professional opportunities that were undreamed of only a decade ago. One of the most encouraging things that industry has done is the building up of research facilities and research programmes offering well-paid positions for continuing work in these fields. Going beyond that, various industries are now spending large sums of money for undergraduate and graduate scholarships, fellowships, and grants for research work. Financial support is offered to universities for research, endowment of chairs, and to provide equipment and materials required by university laboratories.

"Some industries have recognized that the problem is not only one of strengthening our higher institutions of learning, but also of improving standards of technical training in our secondary schools. There are now scholarships available to encourage graduates interested in teaching science in high schools. Travelling scholarships provided by industry are also available to enable Canadians to benefit from scientific and technical developments abroad. Then there are various company

schemes designed to train men while they are doing their jobs, including programmes enabling men to achieve professional engineering status at virtually no cost to themselves and without giving up their jobs.

"I believe industry is to be congratulated for having taken this initiative and shown such vision. I gather your Conference would like to see these efforts carried further, and perhaps co-ordinated to make sure that the most effective use is being made of the resources that industry devotes to the encouragement and training of technically trained personnel.

"I would like to say that in my view the real significance of this Conference,--while it no doubt has achieved much in other ways,--lies in the fact that it is a symbol and reflection of the interest and determination on the part of industrial and business leaders to assist in the solution of this university problem not only by moral support but by direct financial contribution. This, of course, does not mean the assumption by industry of responsibility for, or control of, education. It does mean a recognition of what education means to the future of our country and the confidence we have in the experience and competence of those who are directing our universities and educational institutions."

* * *

SOCIAL CREDIT SWEEP: The Social Credit Party swept the polls in the British Columbia election September 19 to gain the largest provincial majority in 44 years. In its return to power for another term, the Social Credit group captured 39 seats in the 52-seat legislature, and the entire cabinet of Premier W.A.C. Bennett was re-elected.

Party standing was reported by The Canadian Press as follows:

	1956	1953
Social Credit	39	28
Commonwealth Co-Operative Federation	10	14
Liberal	2	4
Independent Labour	1	1
Progressive Conservative	0	1
Totals	52*	48*

* Four new seats were at stake this year.



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NATION OF HOME OWNERS

Canada today has probably the highest proportion of home ownership of any comparable industrial nation in the world, the Hon. Robert Winters, Minister of Public Works, told the Canadian Institute of Chartered Accountants at Halifax, September 10.

Speaking at a luncheon tendered to the Institute by the Government of Nova Scotia, Mr. Winters said that more Canadians, per capita, own homes than do "Americans or Britains or Germans or any other human race for which we have statistics," and that in the past 15 years the trend to home ownership in Canada has become more and more pronounced.

Pointing on the fact that the typical Canadian family today owns its own home, Mr. Winters said this would not be surprising in a nation predominantly rural but that it is striking indeed in the urban, industrial, commercial, and mining economy which Canada has developed in recent times. At the time of the 1941 Census something less than 55 per cent of the Canadian housing stock was owner-occupied, the Minister said. In the succeeding 10 years the total housing stock increased by about 660,000 units; but the owner-occupied housing stock increased by over 700,000, more than the total of all new construction, both for home-ownership and for rent. In other words, Mr. Winters explained, there was actually a net decline in the number of dwellings rented, and this took place despite the fact that about a third of the new dwellings built during the period were in multiple-dwelling structures such as apartment buildings.

"What happened was that during the 1940's a large number of dwellings which had been rented were taken over by their owners or, where the type of dwelling permitted, were sold to owner-occupants," Mr. Winters stated. "The great change occurred, not in the type of dwellings built but rather in the tenure distribution of dwellings already existing in 1941. The incentive to sell rental property or to occupy it was supported by rent control, and the willingness to buy for owner-occupancy was stimulated by renewed confidence in the real estate market during the period. This was emphasized by the urge on the part of veterans to buy rental housing built by the Government. In the past 10 years veterans have purchased 38,300 out of a total of 54,000 houses made available to them on a rental basis after the war."

The Minister said that as a result of these developments the proportion of Canada's total dwelling stock that was owner-occupied increased from 55 per cent he had already mentioned for 1941 to 65 per cent in 1951, as compared to the United States proportion of 51 per cent for 1950.

Since 1951, Canadians have added about 350,000 dwellings to their stock, Mr. Winters said. Individual houses make up over 70 per cent of the addition, and adding owner-occupied duplexes and row housing, it is estimated that about 75 per cent of the new housing additions since 1951 are owner-occupied. The Minister added that the aggregate proportion of owner-occupancy has not been moved much

(Over)

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beyond the 65 per cent registered five years ago because fewer existing houses are shifting from rental to owner-occupancy than in the forties. Some multiple-unit buildings and even some single-family dwellings will always be rented.

THREE REASONS

Mr. Winters then referred to three of the factors which have contributed toward home-ownership in the last 15 years--rising standards of living, the greater use of the automobile and, in particular, the amortized high-ratio mortgage.

Of these, he said, in part:

"The real income of Canadians, per capita, has gone up by over 70 per cent in the last fifteen years. This has meant not only more to spend on food, clothing, and entertainment, but also more to spend on housing. Particularly important has been the fact that more people than in the past have been able to accumulate savings. Although most people are apt to buy an automobile or a television set or other such commodities before they contemplate buying a house, many of them, however, have used these savings for their down payments on a house. There has been too a less obvious result of the rise in our living standards: it has engendered confidence. That confidence has encouraged many to undertake what is, for most people, the largest single financial commitment of their lives, the purchase of a house.

"One of the results of our rising standard of living--the widespread ownership of automobiles--has made the growth in home ownership technically possible.

"Without the automobile, our present degree of urbanization might not have been possible at all, and its achievement with the present degree of home-ownership would most certainly not have been possible. More residential land space is required to house a population in single-family dwellings than in almost any type of rental housing. The automobile provided that necessary space by widening the effective boundaries of our cities. Without this our land problem would be immeasurably more acute than it now is and there would be no opportunity for large number of families to live on lots of say 60' x 100' apiece.

"But while rising income levels have enabled Canadians to spend more on housing and at the same time to buy cars in increasing numbers, purchase of a new home would have remained a dream for most families if they had not been able to obtain mortgage money.

"...Mortgage financing has been king-pin in the housing market. If mortgages had not been made available on reasonable terms a much smaller proportion of our new housing would have been for home-ownership and undoubtedly our total volume of new building would have been lower. At any given time the number of people who can afford to own houses depends not only on the cost of construction; the cost

of serviced land and the level of incomes but also on the mortgage financing means. A number of other factors can make it easier for people to become home-owners. Easy mortgage credit, large loans, long periods of repayment and low rates of interest--all these are matters which can help convert the tenant to a home-owner.

HOUSING ACT LOANS

"It is in these respects that the successive National Housing Acts have been particularly important. A typical new home in the 1920's or the 1930's had a mortgage covering 60 per cent or less of the cost of construction and repayable in five or ten years. Usually the borrower undertook to repay the whole of the principal in a lump sum at the expiry of the mortgage. This had the effect of making the possibility of home-ownership remote for the majority of families. Unless purchasers could secure help from friends or relatives or were prepared to undertake a second mortgage on more onerous terms, few could find the lump sum needed to pay down 40 per cent of the cost of a new house. This was true even at the comparatively low prices that prevailed during the latter part of that period. Even among those who could meet the initial down payment, the burden of making a second lump-sum settlement at the expiry of the mortgage proved a deterrent.

"Today the position is very different. Mortgage loans for home ownerships are available under the Housing Act covering in most cases more than 80 per cent of the cost of the property. The loans are repayable over a period of up to 30 years and are fully amortized so that there is no large final payment coming due at the end of the term of the loan. Even conventional mortgage loans made outside the Housing Act, while still limited in the main to 60 per cent of the value of the property and drawn for much shorter terms, today are commonly amortized. This change indeed reflects the influence that the Housing Acts have had on the whole mortgage market.

"The easier lending terms available under the Acts have widened the band of asset holders and income earners who can qualify for new home-ownership and have played a very important part in the growing relative importance of home-owners, particularly in the post-war years.

"Since the end of the war more than a million new housing units have been started in Canada. Of these almost 700,000 were home-ownership. More than 38 per cent of these dwellings were financed under the National Housing Act and in the last two years the proportion has been 55 per cent.

"It is against this background that we should look at what is now described as the tightness of mortgage credit and its effects on house-building. It is of course true that mortgage lending under the National Housing Act is lower this year than it was last year.

The main reason is the competing pressures for funds by industry and individuals. Mortgage lending has had to suffer some cut-back from its record days of last year when mortgage lending, and house-building, were comparatively unfettered.

100,000 STARTS

"Despite the reduction in mortgage lending under the Act, total dwelling starts so far this year have kept pace with 1955. This has been largely due to increased building outside the Act and by owners who have not had to resort to mortgage financing. I frankly do not expect that we shall be so fortunate in the second half of the year and for the year as a whole we may expect a somewhat smaller number of starts than in 1955. However, we shall still have the second largest number of starts in our history--well over 100,000 and more dwellings will be completed this year than ever before.

"The numbers of houses built in any one year reflect the pressures of a variety of demands and conditions. At the same time the long-term outlook for the supply of mortgage funds is bright. As the country grows the supply of mortgage money will increase and the Government aims to ensure that there will be a continued high level of house building. As you know, these last two years have seen major changes in the mortgage market. The participation of the chartered banks under the National Housing Act and the provisions for a market in mortgage loans insured under the Act, have removed many of the former restraints on mortgage lending. Investment in mortgages insured under the National Housing Act is now, or is coming to be, on much the same basis as investment in government guaranteed bonds. Already \$37 million worth of mortgages have been sold by the banks and lending institutions to pension funds and the like. This market is developing."

STAKE IN COMMUNITY

Assessing the results of this trend to home ownership, Mr. Winters said:

"What does home-ownership mean for the home-owner himself and his family? I have often heard it said that it imparts to them a sense of having a stake in the community. This means on the surface that the home-owner cuts his lawn, digs his own garden, shovels his own snow, often paints his own house, repairs his own screens, puts on the storm windows, and takes part in many tasks that would constitute a terrible annoyance to anyone that really did not want to do them. To a home-owner more often than not, all this provides a sense of satisfaction, and this more than anything else proves the case, I think, that home-ownership does in fact impart a feeling of responsibility and security that must contribute to the stability and happiness of our communities."

MOUNTIES IN U.S.: The famed Royal Canadian Mounted Police musical ride is now being performed before enthusiastic audiences at West Springfield, Mass., and will be seen on two other occasions in the United States during the next two months.

After concluding their first United States appearance at West Springfield on September 23, the scarlet-coated riders will return to Canada for performances in Sherbrooke and Ottawa before going to New York City for the National Horse Show which will be held in Madison Square Gardens from October 30 to November 6. Then, following an appearance at the Royal Winter Fair in Toronto, the Mounties will go to Chicago for the International Live Stock Exhibition, November 23-December 1.

The ride is performed by 32 members of the Force and their mounts, four spare riders and mounts and a riding master go with the troupe on tour. Inspector J.G.C. Downey heads the ride and is the officer in charge. The men are among the finest horsemen in the Force and many weeks of gruelling practice have gone into preparation for the ride, which was revived this year after a period of abstention. The riders are all about the same weight and height (160 pounds, five feet eleven inches) and were recalled from assignments all over Canada for this special duty.

Every member of the Royal Canadian Mounted Police gets 160 hours of equestrian training during his recruit period. The musical ride is a dramatic expression of the skill of the finest horsemanship in the Force.

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ADVISORY HEALTH GROUP: The newly-formed Advisory Health Group held its first meeting recently in Ottawa under the auspices of the National Research Council's Associate Committee on the National Building Code.

The Advisory Health Group consists of sanitary engineers from all provinces of Canada, medical officers, building inspectors, engineers, architects, and a representative from Central Mortgage and Housing Corporation. It is expected that this committee, the only one of its kind in Canada, will become a recognized national authority.

Chairman of the Group is Dr. A.E. Berry of the Ontario Department of Health. Dr. Berry was recently appointed general manager of the Ontario Water Resources Commission.

Main purpose of the Advisory Health Group is to guide future development of the National Building Code with respect to public health. Two similar committees advise on clauses of the Code dealing with structural safety and fire protection.

A major project of the Health Group is a comparative study of public health legislation, including plumbing regulations, in all the provinces. Special panels will also be set up to make a comprehensive review of those clauses in the National Building Code which in any way affect public health.

ANNIVERSARY OBSERVED: The sixteenth anniversary of the Battle of Britain was commemorated by the Royal Canadian Air Force at special memorial services held Sunday, September 16.

Members of the Air Force in Canada as well as overseas paid tribute to the "few", who, over Britain and the English Channel, fought the air battle that was to decide not only the fate of the British Isles, but the fate and destiny of free men. Church parades were held at numerous urban centres.

The Battle of Britain has special significance for the RCAF. It was the Force's baptism of fire, when, in August 1940, No. 1 Squadron of the RCAF, later designated No. 401 Squadron, flew into action against the enemy from its base at Northolt, on the outskirts of London, won its first victories, and suffered its first casualties. Another fighter squadron, No. 242, of RAF Fighter Command, composed of Canadian pilots in the RAF, also won for the RAF and Canada great distinction for its action during the greatest battle in history.

Forty-seven Canadian officers and men serving with the RCAF and RAF, gave their lives in the Battle of Britain. They served not only in Fighter Command, but in Bomber and Coastal Commands as well.

The dates July 10 and October 31, 1940, have been accepted as marking the opening and termination of the Battle of Britain, reaching its peak on September 15, 1940, when the Luftwaffe suffered its major defeat over Britain. Each year since that September day, members of the Commonwealth Air Forces have commemorated the famous battle on the Sunday following September 15, or on that date if it is a Sunday.

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\$900,000,000 PROJECT: In Cornwall, Ontario, September 11 at the laying of the cornerstone of the St. Lawrence Seaway Authority Headquarters, the Hon. George C. Marler, Minister of Transport, referred in the following terms to the power project:

"...It is quite unnecessary for me to dwell at any length upon the magnitude of this great undertaking that is being carried out in friendly co-operation by the St. Lawrence Seaway Authority and the Ontario Hydro upon the one hand, and by their counterparts of the United States of America on the other.

"The fact that the cost of the several parts of the work, both for navigation and for the development of hydraulic power, will probably be in excess of \$900,000,000, is an indication of the magnitude of the project, while the fact that the outlays to be made by the Ontario Hydro and by our St. Lawrence Seaway Authority are likely to be more than \$500,000,000, make it quite clear that no project of comparable size has ever before been undertaken in Canada."

MORE FOR ROADS: More money is being spent by the ten provinces on highway construction than for any other item in their budgets, the Canadian Good Roads Association reports. This year it is estimated more than \$700 million will be spent on roads in Canada, of which the provincial governments alone will spend \$487 million. Federal and municipal road building expenditures account for the rest of the total.

About 50 per cent of federal government expenditures for roads will be contributions to the provinces for further construction of the Trans-Canada Highway, and for Trans-Canada Highway sections through the National Parks.

The Province of Ontario has budgeted \$181 million for highways this year, as compared to last year's figure of \$154 million. British Columbia will spend \$79 million, more than double last year's outlay.

The provincial governments have nearly quadrupled their road construction spending since 1946.

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SOLDIERLY VISIT: A distinguished soldier, Major General M. Habibullah Khan, Director General of Military Training for the Pakistan Army, has started a tour of Canadian military installations.

Interested in the Canadian Army's soldier apprentice plan, Major General Habibullah Khan arrived in Ottawa September 18, and journeyed immediately to Kingston, Ontario, where he is visiting the Royal Canadian Electrical and Mechanical Engineers School, where apprentices are being trained; the Canadian Army Staff College, Royal Military College, Royal Canadian School of Signals, and Headquarters, Eastern Ontario Area.

Moving to Camp Borden, Ontario, tomorrow, he will visit the Royal Canadian Armoured Corps School, the Canadian School of Military Intelligence, the Joint Atomic Bacteriological and Chemical Warfare School, and The Royal Canadian Army Medical Corps School before returning to Ottawa September 22.

* * * *

WORLD'S TALLEST: A tremendous totem pole, 127 feet in height, designed to last 250 years, now towers in Beacon Hill Park, Victoria, B.C., overlooking the Straits of Juan de Fuca. It is the world's tallest, 26 feet higher than the one in the Ontario Provincial Museum, Toronto.

The big totem was the brainchild of the Victoria Times, which proposed that the public be invited to buy shares at 50 cents apiece. The shareholders' names were placed in a sunken container at the base of the pole.

The project took six months to complete, and more than half of the shares were bought by persons outside of Canada. The tree from which the totem was carved by West Coast Indians was 160 feet high.

SHORTAGE OF UNIVERSITY GRADUATES

Meeting last week at St. Andrews-by-the-Sea, New Brunswick, to seek a solution to the shortage of scientific and engineering personnel in Canada, leading industrialists and educators laid stress on the necessity of stepping up university enrolment and expanding educational facilities.

In a Bulletin issued this month on the supply and demand situation in regard to university graduates, the Unemployment Insurance Commission reports that the Supply of university graduates of all types is less than the demand right now and will continue to be so for several years. Although the Dominion Bureau of Statistics estimates that in ten years time the number of university students will be about double what it is today, the Unemployment Insurance Commission does not believe a situation of over supply will be reached in that time. It bases its view on the progress Canada is making in all fields and on the greater acceptance of university graduates as the best material for future leaders in business.

The UIC survey states that all relevant information points to a serious shortage, what might even be termed a critical shortage, of dentists and engineers. The shortage situation in regard to dentists, which has been emphasized for years by the Canadian Dental Association, has not improved, the Bulletin reports.

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DIPLOMATIC CHANGES: The Secretary of State for External Affairs has announced that the Canadian Legation in Vienna is being raised to the status of Embassy, and that the following transfers within the Canadian Diplomatic Service will take place:

Mr. I.S. MacDonald will become Canadian Ambassador to Austria replacing Mr. G.L. Magann, who has been accredited, until now, as Ambassador to Switzerland and Minister to Austria. Mr. MacDonald is at present Canadian Ambassador to Yugoslavia. An announcement will be made later regarding Mr. MacDonald's successor in Belgrade.

Mr. Arthur Irwin, who has been since 1953 the Canadian High Commissioner to Australia, has been appointed the Canadian Ambassador to Brazil and will take up his post in Rio de Janeiro late in the year.

Mr. H.A. Scott, Canadian Ambassador to Cuba, concurrently accredited as Canadian Ambassador to the Republic of Haiti and to the Dominican Republic, will succeed Mr. H.G. Norman, C.M.G., as Consul General in New York in November. Mr. Norman will be retiring from the public service.

Mr. Hector Allard, Permanent Representative of Canada to the European office of the United Nations in Geneva, will succeed Mr. Scott in December as Ambassador to Cuba, and will be at

If anything it has been getting worse from year to year, so much so that for some years past, the situation has been really critical. The UIC bulletin attributes this situation entirely to the lack of teaching facilities.

In its reference to the engineering profession, the bulletin reports that although increased enrolments in this faculty have been encouraging they have not been enough to come near catching up with the demand. Furthermore, it reports, if there had not been an influx of around 1,000 professional engineers each year from other countries the situation would have been even more critical than it has been.

Turning to agriculture, the bulletin reports that after the abnormally large classes in agriculture following the Second World War enrolment figures have dropped. This year's graduates numbered about 250, and those of 1957 will number approximately the same. The classes of 1958 and 1959 will show some increases, but even so will hardly keep up to the increased opportunities. It is felt that this situation could lead to a serious problem in the future. As an illustration of its point, the bulletin reports that there is a great need of graduates majoring in dairing, and that in 1954, for example, there were only 39 such graduates in all of the United States and Canada.

the same time accredited as Ambassador to the Republic of Haiti and to the Dominican Republic.

Mr. M.H. Wershof, Q.C., Legal Adviser to the Department of External Affairs, will succeed Mr. Allard as Permanent Representative of Canada to the United Nations in Geneva, with the rank of Ambassador, in December. Mr. Wershof will head the Canadian Delegation to the International Atomic Energy Agency Conference opening September 20 at New York.

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EXPORTING INSURANCE: Canada is a leading exporter of life insurance. More than 6,700 persons are employed by Canadian life insurance companies outside Canada, and over 40 per cent of the companies' total premium income is derived from other countries.

There are 94 life insurance companies licensed in Canada. Benefits paid by these companies in 1955 totalled \$337 million. No policy holder in a Canadian legal reserve life insurance company has ever lost a dollar through non-payment of the amount guaranteed under his policy. Policy holders in Canada number about six and one-half million, and they carry some \$26,600,000,000 worth of life insurance, a gain of \$10,000,000,000 from the end of World War II.

LARGER YIELDS FORECAST

Production of most of Canada's principal field crops this year will be higher than in 1955, according to the Dominion Bureau of Statistics first official forecasts for the year, based on yields indicated at August 15. Present prospects point to the possibility of a 512,000,000-bushel wheat crop, a 515,000,-000-bushel oat crop, a record 37,000,000-bushel flaxseed crop, and a near-record barley crop of 282,000,000 bushels.

With the exception of fall rye, winter wheat, potatoes and tame hay, indicated average yields per acre either equal or exceed those of 1955. Production of all but sprint and fall rye, potatoes and tame hay is expected to exceed the ten-year averages.

Canada's 1956 wheat crop, currently forecast at 512,000,000 bushels will, if realized, be 4 per cent greater than last year's 494,-100,000 bushels and 10 per cent greater than the ten-year (1946-55) average of 463,700,000 bushels. A crop of this size would, however, be lower than the five-year (1951-55) average of 534,500,000 bushels, largely because the latter average includes the two largest Canadian crops on record--1952 and 1953.

This year's crop of spring wheat, forecast at 492,300,000 bushels, is being harvested from a seeded area estimated at 20,700,000 acres, yielding an indicated 23.8 bushels per acre. The 1955 spring wheat crop of 474,200,-000 bushels produced on 20,900,000 acres yielded an average of 22.7 bushels per acre. Indicated production of Durum wheat (included in the forecasts of spring wheat) is 40,350,-000 bushels, up sharply from last year's revised estimate of 17,295,000 bushels.

PRAIRIE WHEAT

In the Prairie Provinces the 1956 wheat crop is forecast at 490,000,000 bushels, 18,000,000 above last year's crop of 472,000,-000 and 12 per cent above the ten-year average of 439,500,000. The indicated average yield per seeded acre in the Prairie Provinces, on the basis of conditions at August 15 is 23.8 bushels per acre, with Manitoba averaging 24.6, Saskatchewan 22.9, and Alberta 25.7 bushels per acre. Production in Saskatchewan is placed at 307,000,000 bushels (298,000,000 in 1955), Manitoba at 51,000,000 bushels (41,000,000), and Alberta at 132,000,000 (133,000,000).

Production of oats in 1956 is forecast at 514,700,000 bushels, an increase of 27 per cent over last year's total of 403,800,000 and 37 per cent above the ten-year (1946-55) average of 375,500,000 bushels. The indicated higher production results from a combination of a 7 per cent increase in seeded area and a 19 per cent increase in average yield, currently placed at 43 bushels per acre. All provinces share in the increased production over last year.

The 1956 barley crop is forecast at 281,-600,000 bushels, 12 per cent above last year's 252,200,000 and 44 per cent above the ten-year average of 195,100,000 bushels. A crop of this size would be the second largest on record, exceeded only by the 291,400,000 harvested in 1952. Although the area seeded to barley, at 8,700,000 acres, is 12 per cent lower than last year, the indicated yield is 27 per cent higher.

Rye production, forecast at 8,700,000 bushels is 41 per cent lower than last year. The crop is also 8,600,000 bushels below the ten-year average, and the smallest since 1945. Both seeded acreage and yield per acre fell below those of 1955.

This year's flaxseed crop, currently forecast at 37,300,000 bushels, is almost double the 1955 crop; more than three times the ten-year average, and an all-time record for Canada. The sharp increase over last year's production is due to the combination of a 71 per cent increase in seeded area, estimated at 3,100,000 acres, and an 11 per cent increase in average yield per acre, currently forecast at 11.9 bushels.

AVERAGE YIELD UP

Canada's 1956 crop of mixed grains, grown mainly in Eastern Canada, is forecast at 67,-000,000 bushels compared with last year's 65,400,000 and the ten-year average of 56,-300,000. Since the area seeded declined by 4 per cent to 1,600,000 acres, the increase in production over last year is entirely attributable to an increase in average yield per acre from 38.3 bushels to 41.0.

Production of tame hay is currently placed at 19,400,000 tons, slightly lower than last year's 19,900,000 but 10 per cent above the ten-year average of 17,700,000 tons. The 1956 potato crop, on the basis of conditions at August 15, is forecast at 60,900,000 bushels.

Based on conditions on or about August 15, the production of principal grain crops in Canada in 1956 is forecast in millions of bushels, as follows, with 1955 totals and 1946-55 averages, respectively, in brackets: winter wheat, 20.0 (20.0, 20.7); spring wheat, 492.3 (474.2, 442.9); all wheat, 512.2 (494.1, 463.7); oats for grain, 514.7 (403.8 375.5); barley, 281.6 (252.2, 195.1); fall rye, 6.0 (11.3, 12.5); spring rye, 2.7 (3.4, 4.8); all rye, 8.7 (14.7, 17.3); and flaxseed, 37.3 (19.7, 10.9).



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VISITORS FROM U.S.S.R.: First-hand information on Canada's important fishing industry has been gathered by Mr. A.A. Ishkov, Minister of Fisheries of the Union of Soviet Socialist Republics, who has been in Canada for the past three weeks and who today was concluding his official inspection tour at Vancouver, British Columbia.

Accompanied by Mr. I. Semenov and Mr. A. Verevkin, Deputy Ministers of Fisheries of the U.S.S.R., and by Mr. P. Moiseev, a scientist at the Moscow Fisheries Research Station, the Minister arrived on Canada's east coast on August 22 aboard the Soviet fishing vessel "Sverdlovsk". The Soviet party was met by the Hon. James Sinclair, Canadian Minister of Fisheries, and officials of the Department of Fisheries, who have escorted the visiting group on the tour of east and west coast fisheries.

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AID TO PAKISTAN: The Canadian government has offered to provide 25,000 tons of wheat to Pakistan as a gift to assist in relieving the serious food shortage which has recently arisen there. The scarcity of food in Pakistan has resulted from the damage done to the local crops by a combination of late rains in some areas, floods in others and hail storms and strong winds in other districts.

The provision of this wheat will be financed temporarily with funds voted by Parliament for Colombo Plan purposes. The Govern-

ment plans to recommend to Parliament that this portion of the Colombo Plan vote be replaced with new money appropriated for the purpose in order to prevent the total of Canada's regular Colombo Plan programme for the various countries in South and South East Asia from falling below the intended level.

The Pakistan Government will be expected to devote the local currency proceeds from the distribution of this wheat to economic development projects in Pakistan agreed upon between the two Governments. The provision of this gift of wheat will also serve the purposes of the Colombo Plan by assisting the Pakistan Government to deal with this critical food situation in a manner which will lessen the effects of the food shortages on the progress of its economic development programme.

* * * *

TO MAINTAIN FORCES: During a visit to the 2nd Canadian Infantry Brigade Group at Soest, Germany, Canada's Minister of National Defence, The Hon. Ralph Campney, told European newsmen that Canada would take no unilateral action towards reducing its NATO troops commitments in France and Germany.

In speaking of the brigade he said, "in the past we have felt that the stationing of a brigade force here has made a reasonable contribution towards the aims of the North Atlantic Treaty Organization, which means the maintenance of world peace".

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POPULATION GROWTH OUTLINED

BIRTH RATE SOARS: Behind the gigantic development of the Canadian economy during the last quarter century lies an equally dramatic story of the Canadian people. Highlighting this story is the aim of a new reference paper issued by the Dominion Bureau of Statistics entitled "Canadian Vital Statistics-Trends, 1921-54".

Covering such factors as the phenomenal growth of the population, the sudden reversal of long-established fertility trends, the achievements of modern medicine in the prevention and control of communicable disease, and the advances in the sensitive barometers of longevity and infant mortality, this report looks behind the rise in Canada's population from 7,207,000 in 1911 to more than 15,000,000 in 1954.

It is a striking fact that over 95 per cent of Canada's population increase during the past century has been due to natural increase. In recent times the most dynamic element in natural increase has been a high birth rate. From 32 per thousand in 1921, the birth rate declined steadily until it was below 21 in 1937. It rose to a plateau of 24 during the war years and to new peaks of 28.9 in 1947 and 28.7 in 1954. During this same period the death rate declined gradually from a little over 11 to 8.6 in 1953 and then dropped sharply to 8.2 in 1954. Life expectancy has increased from probably about 45 or 50 years in 1851 to over 66 years for males and over 70 years for females in 1951. The number of infants dying before reaching their first birthday has been reduced from well over 100 in 1851 (even probably closer to 200) out of every 1,000 infants born alive to 32 in 1954. The rate of mortality due to child-birth must have been exceedingly high in 1851; as late as 1921 over 500 mothers died as a result of childbirth for every 100,000 infants born alive; in 1954 the rate was down to 80.

CHANGES SINCE 20'S

Other tremendous reductions have taken place in the mortality pattern since the early 1920's, with the most important decreases in the childhood and early adult ages. In 1926 over 19 per cent of all male deaths were of persons 5 to 45 years of age; in 1954 these accounted for less than 11 per cent of total deaths. The reduction in mortality among females in this age group is perhaps even more remarkable, the proportion dropping from 22 per cent to approximately 9 per cent. Death rates for males up to age 45 have been roughly halved during the past 25 years; those for females in the same ages are only one-third to one-quarter of the former rate.

These reductions in the mortality rates in early and middle years of life have had the effect of increasing the number of people in

the older age groups and of raising the average age of the population as a whole. Consequently a much larger proportion of deaths is now occurring in the older age groups. In 1921 average age at death of males was 39.0 years and of females 41.1 years; by 1954 this had been advanced to 57.3 and 60.0, respectively.

Despite reductions in infant mortality over the past thirty years, more deaths still occur in the first year of life than in any other single year. Of the 107,000 deaths occurring in 1926, 31,000 or almost 30 per cent were of children under one year of age. Of approximately 124,500 deaths in 1954, 16,000 or only 13 per cent were of children under 5 years of age and more than five-sixths of those were under one year.

SUCCESSFUL ATTACK

The increased life span has reflected the remarkable success that has attended the attack by health authorities on the infective and contagious diseases which in the past have constituted such a great hazard in the early and young adult years of life. Diphtheria, for example, has been almost wiped out and mortality from tuberculosis has been greatly reduced. On the other hand the ageing of the population has increased the proportion of deaths from certain causes that affect older people. Thus cancer and heart diseases now account for a substantially larger proportion of all deaths than formerly. At present about 80 per cent of all deaths may be found within the following groups of causes: diseases of the heart and artères, cancer, accidents, diseases of early infancy, the respiratory diseases--tuberculosis, pneumonia and influenza--and nephritis.

Despite continuing high birth and marriage rates, it should be noted that some of the factors which have contributed most to the high level of fertility are short-run in character; for example, the temporary adjustment of the timing of marriages and of births within marriage, largely as a result of war and depression. The long-term influences would appear to exert both upward and downward pressures on the birth rate. For example, the tendency for higher proportions of women to marry, and for higher proportions of those who do marry to have at least one child, has been offset by the tendency for couples to cease childbearing at lower and lower parities. The marriage rate fell from 7.9 per thousand population to 6.4 between 1921 and 1931, rose as high as 10.9 in 1942 and 1946 and remained at the relatively high level of 8.5 in 1954.

Canada compares well with other countries. Only the Netherlands had a lower general death rate in 1954 and only the United States had a lower rate for maternal mortality. Canada's birth rate was surpassed only by five countries.

THREE-WAY ACCORD: From aspirins to antibiotics, from safety pins to iron lungs, all medical supplies and equipment used in the field by the Armed Forces of Canada, Great Britain, and the United States have now been catalogued and indexed under a common spelling and common nomenclature.

As a result of this work, a task which took over three years to complete, the movement of medical supplies between the three nations during times of emergency has been greatly simplified. Previously each country had in many cases different designations for what were actually the same drugs or similar articles of medical equipment.

The cataloguing of medical supplies took place in England, where representatives of the three nations carried out a thorough study of the subject. Lt.-Col. Clifford P. Smith, Royal Canadian Army Medical Corps, of Winnipeg, Officer Commanding No. 1 Central Medical Equipment Depot at Ottawa, represented Canada at the final sessions for the past six months.

During the meetings which took place at the War Office, London, over 3,000 main items of supplies and equipment and more than 10,000 subsidiary items had to be indexed and catalogued. British spelling and United States nomenclature are used in the finished work.

Included in articles which had to be listed were many kinds of laboratory and pharmaceutical equipment; dispensary items; biologicals; hospital sundries; medical instruments; bandages; laboratory chemicals; operating room and x-ray equipment.

* * * *

PROVINCIAL FINANCES: Both net general revenue and net general expenditure of provincial governments of Canada reached new highs in the fiscal year ended March 31 this year, a preliminary analysis by the Dominion Bureau of Statistics shows. At \$1,554,000,000, net general revenue topped the preceding year's preliminary total of \$1,380,000,000 by 12.6 per cent, and expenditure, at \$1,568,000,000, was up 11.3 per cent from \$1,409,000,000.

Tax levies were the largest single source of revenue, yielding \$639,000,000 in 1955-56 versus \$554,000,000 a year earlier. Taxes on sales of motor fuel and fuel oil totalled \$263,000,000 versus \$237,000,000; general sales taxes in five provinces totalled \$148,-000,000 versus \$127,000,000; succession duties in Ontario and Quebec totalled \$61,000,000 versus \$36,000,000; and amusements and admissions, \$21,000,000 versus \$23,000,000. Corporation taxes in Quebec accounted for \$17,000,-000 in both years, and corporation income taxes in that province accounted for \$53,000,-000 versus \$48,000,000 and individual income taxes for \$28,000,000 versus \$25,000,000.

Federal tax rental agreements with nine provinces accounted for \$320,000,000 in the latest year, down slightly from \$327,000,000. Revenues from privileges, licences and permits

were up to \$400,000,000 from \$315,000,000, and liquor profits rose to \$131,000,000 from \$123,000,000.

Expenditures on transportation were up to \$449,000,000 from \$387,000,000, on health to \$245,000,000 from \$235,000,000, on social welfare to \$129,000,000 from \$116,000,000, on education to \$323,000,000 from \$259,000,000, and on natural resources to \$125,000,000 from \$109,000,000. Interest and other debt charges were down to \$56,000,000 from \$59,000,000, and contributions to municipalities to \$36,000,000 from \$42,000,000.

Net general revenues were as follows by provinces in millions of dollars: Newfoundland, \$34 (\$33 in 1954-55); Prince Edward Island, \$8, (\$8); Nova Scotia, \$54 (\$51); New Brunswick, \$52 (\$49); Quebec, \$393 (\$331); Ontario, \$412 (\$388); Manitoba, \$59 (\$57); Saskatchewan, \$100 (\$96); Alberta, \$213 (\$172); and British Columbia, \$229 (\$195).

Net general expenditure by provinces: Newfoundland, \$43 (\$40); Prince Edward Island, \$10 (\$9); Nova Scotia, \$59 (\$53); New Brunswick, \$54 (\$50); Quebec, \$381 (\$346); Ontario, \$495, (\$431); Manitoba, \$52 (\$51); Saskatchewan, \$101 (\$94); Alberta, \$162 (\$142); and British Columbia, \$211 (\$193).

* * * *

LABOUR INCOME UP: Canadian paid workers received record amounts in wages, salaries and supplementary labour income in June and the first half of this year. The Dominion Bureau of Statistics reports the June total at \$1,-215,000,000 versus \$1,169,000,000 in the preceding month and last year's \$1,090,000,000, and the half-year total at \$6,771,000,000 versus \$6,119,000,000. All the major industrial divisions contributed to the rise in June and the six-month period.

More than half of the rise in labour income in the half-year period was attributable to employment increases. Total paid workers numbered 4,429,000 persons in June this year as compared with 4,192,000 a year earlier; and average weekly earnings in major non-agricultural industries amounted to \$63.83 and \$60.76 at the beginning of June 1956 and 1955, respectively.

June totals by industrial groups were as follows in millions of dollars: agriculture, forestry, fishing, trapping, mining, \$89 (\$80 a year earlier); manufacturing, \$381 (\$344); construction, \$105 (\$85); utilities, transportation, communication, storage and trade, \$311 (\$281); finance, services, \$288 (\$262); and supplementary labour income, \$41 (\$38).

Half-year totals by industry groups: agriculture, forestry, fishing, trapping and mining, \$459 (\$418); manufacturing, \$2,201 (\$1,984); construction, \$486 (\$397); utilities, transportation, communication, storage and trade, \$1,749 (\$1,600); finance, services, \$1,639 (\$1,504); supplementary labour income, \$237 (\$216).

PROBING ATMOSPHERE: A 100-foot aluminum tower, laden with scientific instruments at various levels, will represent a major part of Canada's participation in the International Geophysical year (I.G.Y.) beginning June 1957.

The tower and its electronic measuring devices at the Resolute weather station on Cornwallis Island also will play an important role in the research planned by the Department of Transport's Meteorological services to learn more about the earth's atmosphere. It will pool its findings with more than 40 other nations, including Soviet Russia, taking part in the I.G.Y.

Canada is making a particularly significant contribution to the I.G.Y.'s meteorological programme because of its vast land mass, supplying, four times daily, complete weather reports of surface conditions from 90 representative stations. In addition, it will provide, twice daily, reports of conditions in the upper atmosphere up to 100,000 feet from its 30 radiosonde stations.

These reports will be transmitted to the World Meteorological Organization headquarters in Geneva, which has taken on the responsibility of publishing these findings together with similar reports from other participating nations. This combined effort will constitute a major progressive step in international meteorological co-operation.

The Canadian portion of the global I.G.Y. project is being co-ordinated by the National Research Council and involves the setting up of some 20 scientific stations covering the field of meteorology, geomagnetism, cosmic rays, the aurora, the ionosphere, astrophysical problems, glaciology, the some oceanography.

* * * *

PATENTS CONVENTION: A convention concerning the priority of patents of invention has been concluded between Canada and India. The High Commissioner for India, His Excellency Dr. M.A. Rauf, signed on behalf of the Government of India and the Secretary of State for External Affairs, Mr. L.B. Pearson, signed on behalf of the Canadian Government.

The convention provides generally that Canada and India will extend reciprocally the provisions of each country's legislation with regard to the protection of patents to citizens of the other contracting party and to bodies incorporated or registered under its appropriate legislation. Thus the benefits of the Canadian Patent Act shall be enjoyed by Indian citizens and incorporated bodies and likewise the benefits of the Indian Patents and Designs Act by Canadian citizens and incorporated bodies.

The convention shall come into force three months after signature, at which time the appropriate notifications concerning these arrangements shall have been published respectively in the Canada Gazette and the Gazette of India.

INTERESTING NEWS: The interest rate on personal savings accounts in chartered banks will be increased to two and one half per cent from two and one-quarter per cent beginning September 15. The increase announced by the Canadian Bankers Association is the second in recent weeks and will bring the deposit interest rate to its highest point since November 1934, when it was two and one-half per cent.

The association's announcement said "the increase in the deposit interest rate will be further encouragement to saving and thrift."

* * * *

FOR NATO DUTY: No. 445 Squadron, located at RCAF Station Uplands, outside Ottawa, will be the first of four CF-100 Canuck all-weather squadrons to fly the Atlantic for NATO duty with the Air Force's Air Division in Europe, it was announced recently by Air Force Headquarters. The RCAF has flown Canucks across the Atlantic before, but this will be the first such mass movement of the big two-seater jet fighter.

The 445 movement will be carried out during November, and it will fly to the Air Division's 1 Fighter Wing, at Marville, in France, where it will replace one of the three Sabre jet fighter squadrons now based there.

A single CF-100 squadron, will be located at each of the four operational bases within the Air Division. As each arrives it will replace a Sabre squadron, and aircrew thus displaced will be available for flying duties elsewhere.

About half the groundcrew of each CF-100 squadron will make the overseas move with their unit, flying in North Star transports. Remainder of the required groundcrew will be drawn from Air Division personnel.

By a carefully-phased programme, as each CF-100 squadron leaves its Canadian home base it will be replaced by another CF-100 squadron, bearing the designation of the Sabre squadron disbanded across the Atlantic. This will allow the shift to be made without any decrease in the number of the nine Canuck squadrons now on Air Defence duty in Canada. Plans to form an additional three Canuck squadrons, to raise this home-based total to 12, were announced recently.

For a period of several months before each of the Canuck squadrons is scheduled to leave Canada the new squadron which will replace it will commence forming. The personnel, aircraft and equipment of this new squadron will be built up and carry out normal squadron training. The new squadron will automatically come into official being, with full complement, and with a considerable period of squadron training behind it, on the departure of its companion unit for overseas. Crews for the new squadrons will represent a cross-section of experience level, to maintain high operational efficiency.

CAPITAL INFLOW: Transactions in Canadian securities resulted in a net capital inflow of \$195,000,000 during the second quarter of 1956. This movement was larger than any since the massive inflows which occurred during the third quarter of 1950, and compared with \$110,000,000 in the first quarter of this year. The movement included \$48,000,000 from the sale to non-residents of new issues less \$25,000,000 of Canadian securities owned by non-residents which were retired.

Net sales of outstanding Canadian stocks rose to new heights, contributing \$62,000,000 to the total for the quarter. The balances with the United States, the United Kingdom, and with other overseas countries each rose. Net sales to United States residents amounted to \$35,000,000, an increase of about one-half over the first quarter balance. There was a very sharp rise in net sales to residents of the United Kingdom which exceeded \$16,000,000 in the period as compared to less than \$2,000,-000 in the previous quarter. Residents of other overseas countries added \$11,000,000 to their holdings compared to \$6,000,000 in the first quarter.

CONTRASTING MOVEMENT

In contrast to the transactions in outstanding Canadian stocks there were, however, net repurchases in the second quarter of outstanding Canadian bonds, debentures and other securities amounting to some \$14,000,000. This movement was in contrast to net sales which occurred on balance in each of the preceding two quarters. Canadians repurchased nearly \$25,000,000 of outstanding Canadian bonds and debentures held in the United States, but sold on balance \$3,000,000 and \$8,000,000 to residents of the United Kingdom and other overseas countries, respectively. The securities repurchased from the United States, included on balance, \$16,000,000 of Government of Canada direct issues, \$6,000,000 of provincial, and \$7,000,000 of corporation issues, while there were modest sales of Government guaranteed and municipal issues and other securities. Net sales of residents of overseas countries other than the United Kingdom were mainly Government of Canada direct issues.

Transactions in foreign securities led to a capital inflow of \$6,000,000 compared to an outflow of \$17,000,000 in the first quarter. There was a net inflow of \$11,000,000 from the sale by Canadians of holdings of outstanding foreign securities. This sales balance contrasted with a purchase balance of \$16,000,000 recorded in the first of the year when, however, trading was dominated by a substantial participation by Canadian investors in a public redistribution of stock of an automobile company previously owned by a United States foundation. Most of the inflow represented the proceeds of United States stocks. While disposing of outstanding foreign issues, Canadians purchased \$5,000,000 of new foreign

issues, mainly United States corporate and foreign government bonds.

While there was an inflow of capital from trade in all outstanding securities during June, it amounted to only \$5 million compared with \$34 million in May. Transactions with the United States led to an outflow of \$7 million, but there were inflows of \$7 million and \$5 million from the United Kingdom and other overseas countries respectively. Net sales of outstanding Canadian stocks fell from \$27 million in May to \$15 million, and in contrast to sales of \$7 million of all other outstanding securities, there were repurchases of \$10 million. Most of this change occurred in Canadian bonds and debentures.

* * * *

SEEING CANADA: A group of leading journalists from European NATO countries are now on an 18-day tour of Canada sponsored by the Department of National Defence and the Department of External Affairs, in co-operation with other government agencies and a number of private organizations. This is one of a series of tours in 1956 arranged by the North Atlantic Treaty Organization in member countries.

During this tour the journalists will see establishments of Canada's three armed services, at Victoria, Churchill and St. Hubert. At the RCAF station at Gimli, Manitoba, they had an opportunity to talk with NATO airmen from Europe who are receiving instruction there under the Canadian NATO aircrew training programme. They were the guests of the Canadian National Exhibition in Toronto, and in other centres are touring industrial plants, power and irrigation developments and universities and seeing at first hand many aspects of Canadian life, including a logging camp, cattle ranch and gold mine.

The trip has been arranged to enable these journalists to gain a better understanding of the particular role which Canada is playing in the Atlantic Alliance.

* * * *

LETTER OF CREDENCE: His Excellency Dr. Joaquin Pineros-Corpas has presented to the Deputy Governor-General, the Hon. Mr. Justice J.H.G. Fauteux, his letter of Credence as Ambassador Extraordinary and Plenipotentiary of Colombia to Canada.

The new Colombian Ambassador to Canada was born in 1915 and, after graduating from the National University Law School in Bogota, was Private Secretary to the Attorney-General, Professor of Sociology, Secretary to the Minister of Education, and was a member of the Colombian Delegation to the UNESCO Conferences in 1947, 1948 and 1949. As a diplomat he has served in Argentina, Belgium, Venezuela, and the Vatican, and since 1954 has been Secretary-General of the Colombian Department of Foreign Relations.

BATTLE HONOURS: Her Majesty the Queen has approved conditions for the award of battle honours to units of the Canadian Army which fought in the Second World War. Her Majesty's approval of the conditions now leaves the way open for Regular and Militia armoured and infantry regiments to claim the awards to which they are entitled.

The conditions were prepared during the past year by a Battle Honours Committee under the chairmanship of Maj.-Gen. A. Bruce Matthews, CBE, DSO, ED, of Toronto.

The Battle Honours list for Commonwealth armies in the Second World War compiled by a special Committee, on which Canada was represented, in London, England, includes more than 160 battles, actions, engagements and theatres for which honours may be awarded to Canadian regiments.

The list includes Dieppe and Hong Kong in addition to the battles fought by Canadians in Sicily, Italy, Northwest Europe and Southern France.

The custom of awarding battle honours originated in the British Army in the 18th Century. The honours take the form of in-

scriptions--showing the place and date of the engagement honoured--on unit standards, guidons and colours. Some regiments, notably, Rifle Regiments, display honours on their drums, clothing or badges.

The earliest battle honour awarded to a Canadian unit is "Eccles Hill", commemorating an action fought against the Fenians on the Vermont border in 1870. It is borne by the Victoria Rifles of Canada, a Montreal Militia unit.

Some Canadian regiments possess battle honours for the Northwest Rebellion of 1885 and the South African War. Most units have honours from the war of 1914-18.

An Army Order is being prepared which gives the conditions of award, the qualifications required and the list of recognized honours for the Second World War. It will require each regiment concerned to appoint a committee of not less than five members comprised of former and serving commanding officers, officers who served with the regiment in action and honorary colonels and lieutenant-colonels. This committee will determine the honours to be applied for and those to be emblazoned.

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IMMIGRATION ON UPSWING

Canada has welcomed more than 1,300,000 immigrants since immigration was resumed on a peace-time basis in 1946.

Latest official total announced by the Immigration Branch, Department of Citizenship and Immigration, covered six-months ended June 30, 1956. In that period, 69,924 immigrants entered Canada, bringing to 1,292,-243, the number of persons who entered this country to take up permanent residence since January 1, 1946.

The six-month total of 69,924 represented a 20 per cent increase over the figure of 58,-417 newcomers recorded for the first six months of 1955. Noteworthy was a marked increase in numbers of British immigrants from overseas, 22,428, as against 16,170 during the same period a year ago. Increases were also recorded for immigrants of German origin, 10,141 as against 8,112; Italian, 12,457, compared to 12,026; Dutch, 4,584, up slightly from 4,553; and French, 1,197, compared to 1,169. Immigrants from the United States during the six months ended June 30, 1956, totalled 4,180.

Of 69,924 immigrants, 40,089 were destined to the labour force, 39,131 were males, and 30,793 were females.

The Province of Ontario received by far the largest number of these immigrants, 39,392, with 13,273 going to Quebec and 7,513 to

British Columbia. Alberta welcomed the next largest group, 2,545.

GRAND TOTALS

From January 1, 1946, to June 30, 1956, immigrants of British origin from overseas numbered 390,133. The combined total for immigrants of German and Austrian origin was 169,348. Kept separately since January 1, 1953, the statistics on immigrants of Austrian origin record 10,542 arrivals to June 30, 1956. Also during the ten and a half years, immigrants of Italian origin totalled 147,613; Dutch, 119,361; and French, 25,349. Total of immigrants from the United States was 94,932.

The following table shows the yearly totals:

1946	71,719
1947	64,127
1948	125,414
1949	95,217
1950	73,912
1951	194,391
1952	164,498
1953	168,868
1954	154,227
1955	109,946
6 months of 1956	69,924
Total	1,292,243

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SUEZ CANAL PROBLEM: At a press conference held on August 30, the Hon. L.B. Pearson, Secretary of State for External Affairs, made the following statement on the Suez Canal problem:

"The Canadian Government has followed with interest and concern the discussions held recently in London over the Suez Canal and has welcomed the proposal of the eighteen governments, from Asia, Africa, Europe, Australasia and North America, which resulted from the conference.

"President Nasser of Egypt has agreed, and his decision in this regard is also welcomed, to receive five members of the conference, under the chairmanship of the Prime Minister of Australia, who have been charged by the eighteen to explain to him and to the Egyptian Government the purposes and objectives of the majority proposal, and to ascertain whether Egypt would agree to negotiate a Suez convention based on it.

"It is devoutly to be hoped that President Nasser will accept this invitation to negotiate a peaceful and permanent solution of this serious problem along the lines of the London majority proposal. A failure to do so would involve a very heavy responsibility indeed.

"So far as the Canadian Government is concerned, we feel that these proposals are reasonable and satisfactory and deserve our support as a basis for negotiation. They respect not only the sovereignty, the interests and susceptibilities of Egypt, but they also make adequate provision for safeguarding, through co-operative international arrangements with which the United Nations would be associated in an appropriate way, the international character, use and maintenance of the Canal.

"The Canadian Government understands the view of the users of the Canal that this international waterway must be efficiently and impartially operated, not only in the interest of Egypt but also of the states who use it and for whom its efficient operation is economically essential. The Canal should therefore be kept free to the maximum extent possible from political interference on the part of any single state. We also understand the desire of Egypt to safeguard its sovereignty and its national dignity.

"We feel that the eighteen-power London proposals provide for both these essential considerations and, therefore, form a solid basis for a peaceful settlement of the Suez Canal question which is so important to the well-being and security of all states."

* * *

LEGAL PARLEY: Professor Maxwell Cohen, of McGill University, headed a group of six well-known members of the International Law Association's Canadian Branch attending the 47th conference of the ILA which ended September 1 at Dubrovnik, Yugoslavia.

The other Canadian Branch members who participated in the Dubrovnik deliberations were: Professor J. Austin, of the Faculty of Law of the University of British Columbia, Vancouver, Justice H. Batshaw, of the Superior Court of Quebec, Courtney Kingstone, of the Department of External Affairs, Ottawa, Dr. Eugène Pépin, Director of the Institute of International Air Law at the McGill University, and P.K. Roy, Director of the Legal Bureau of the International Civil Aviation Organization, Montreal.

Thirty countries were represented by between 300 to 400 judges, professors, and lawyers who discussed, among other topics, the problem of legal control of international waterways, and a report on the review of the United Nations Charter, prepared by a working group headed by Professor Clyde Eagleton, of the New York University.

Many of the resolutions of the International Law Association--especially in the fields of commercial and maritime law--have resulted in international action.

* * *

LADIES' AID: In the village of Baden, six miles west of Kitchener, Ontario, Canada's first all-women civil defence unit has been formed. At a meeting of the Wilmot township council, J.J. Murray, Waterloo County civil defence co-ordinator suggested that Mrs. Caspar Fleet, wife of a railway foreman and a prominent member of many community activities, try to form some sort of civil defence organization among the women of the district. Mrs. Fleet immediately accepted and set out to contact the different women's organizations in Baden to get help. Six thousand hours have gone into the formation of the unit, most of them on the overworked rural telephone lines in the area. But out of this effort more than 45 women have already signified their willingness to support the organization and Mrs. Fleet and her committee are confident that enlisting 100 more members will present no problem at all.

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UPS AND DOWNS: The busiest airport in Canada in terms of the number of landings and take-offs during the second quarter of this year was Vancouver, according to Department of Transport figures.

Departmental air traffic controllers handled 73,892 landings and take-offs at the Vancouver airport and seaplane base during April, May and June. Second place went to Montreal's Dorval Airport with a total of 57,925. Ottawa ranked third with 50,525. Next were Toronto's Malton Airport with 47,010, Edmonton, 46,540 and Winnipeg, 45,322. In terms of scheduled airline landings and take-offs, included in the above figures, Montreal led with 12,174 followed by Malton, 11,597; Vancouver, 8,806; Edmonton, 6,926; Gander, 5,578; Ottawa, 4,532 and Winnipeg, 4,519.

\$1.5 BILLION ON HOUSING: House-building activity, including land costs, involved expenditures amounting to over \$1.5 billion during 1955. Central Mortgage and Housing Corporation has reported in a review of mortgage lending in Canada in its quarterly publication, *Canadian Housing Statistics*.

Of this total, 53.4 per cent was financed by mortgage loans, mainly from lending institutions. Another 30.4 per cent represented the equity of owners in the form of down payments on dwellings for home ownership and the equity investment of rental entrepreneurs. In addition 12.7 per cent was provided by owners who financed the construction of their dwellings without recourse to mortgage financing. The Federal Government provided 3.5 per cent of total expenditures, mainly for the construction of married quarters for the armed services. The Federal Government's role in financing house-building was, for the most part, in the insurance of mortgage loans made by private lenders under the National Housing Act.

Amounting to nearly \$2.5 billion, the value of all Canadian mortgages registered in 1955 was 32 per cent higher than the previous year. Loans for the construction of new dwellings accounted for close to 40 per cent of this total.

Individuals provided more mortgage credit than any other group of lenders in 1955. In Ontario, for example, individuals were responsible for 40 per cent of the value of all mortgages registered. While these lenders play a comparatively small part in the financing of new construction, they play a major role in financing the turnover of existing dwellings.

SMALLER PROPORTION

Life insurance companies, while still the main institutional lenders, were responsible for a smaller proportion of institutional lending than in earlier years. Their mortgage loan approvals represented 50 per cent of the total compared to 59 per cent in 1954 and 74 per cent in 1953. This decline was relative only, since the value of life company approvals increased from \$529 million in 1954 to \$597 million in 1955.

The life companies placed greater emphasis on conventional lending for new residential construction than in previous years. This change reflected the considerable expansion of NHA activity on the part of chartered banks. The value of mortgage loans approved by the banks increased from \$158 million in 1954 to \$326 million in 1955.

Both the trust companies and the loan companies expanded their mortgage lending activities. The trust companies approved loans amounting to \$104 million compared to \$64 million in 1954. Most of this increase took place in insured loans under the National Housing Act. The loan companies approved loans to the value of \$149 million, compared to \$123 million in the previous year.

This yearly review of mortgage lending was formerly carried in the publication *Mortgage Lending in Canada*, which has now been discontinued.

DECLINE NOTED

In a summary of first quarter activity in 1956, the report noted a marked decline in institutional mortgage lending for new residential construction. While the value of all mortgage loans approved by lending institutions, at \$201 million, was two per cent higher than the first quarter of 1955, the value of loans approved for new residential construction was down by 12 per cent. In terms of dwelling units, this represented a decline from 17,233 to 14,253 units. While the ratio of dwelling starts to mortgage loan approvals is not constant, the fact that starts held up so well in spite of the reduction in institutional lending suggests that there has been a considerable increase in other types of financing.

Both National Housing Act and conventional mortgage lending declined. Under the Act there was a 17 per cent decline from the first quarter of the previous year. Lending by chartered banks suffered the largest cut-back, 19 per cent compared to 14 per cent for all other lenders during the period. Conventional institutional mortgage lending for new residential construction declined by 12 per cent in terms of dwelling units between the first quarters of 1955 and 1956. Conventional mortgage lending on existing dwellings and on non-residential property increased from \$62.8 million to \$82.8 million.

There was a substantial increase in activity in the secondary market in NHA insured mortgage loans. The value of mortgages sold amounted to \$12.5 million, equivalent to 71 per cent of all such sales in the full year of 1955. Sales of mortgages to individuals were reported for the first time; 44 sales amounting to \$390,000 being reported.

Despite a three per cent increase in dwelling completions during this first quarter, the stock of completed but unsold dwellings in the larger urban centres at the end of May was below that of a year earlier, 1,291 compared to 1,338 units.

Heavy demands for construction materials and labour, associated with the expansion of non-residential construction and the continued large programme of residential construction, resulted in some further price increases during the period under review. The combined index of material prices and wage rates went up from 134.0 in December to 135.8 in April. This was four per cent higher than in April, 1955.

Lot prices continued to increase. The average price paid for lots for bungalows financed under the National Housing Act in the first quarter of the year was \$1,955 compared to \$1,788 in 1955.

TESTAMENT OF FAITH

Speaking at the Northwest Territories Council Session held this month at East Three, the new site of Aklavik, N.W.T., Mr. Gordon Robertson, Commissioner of the Northwest Territories, said that the decision of the Government of Canada to build a new Aklavik was one of far-reaching significance. Above all, he said, it was a testament of faith in the future of the North. It demonstrated a conviction that the present economic problems of this area, serious as they are, can be overcome and an active future achieved.

Pointing out that the three industries which at present form the basis of the economy of the Northwest Territories are those which produce in sufficient volume to export their products to the outside--mining, fur trapping and fishing--the Commissioner expressed the hope that in the not too distant future lumber and wood products would be added to their number, a hope which he said is strengthened by the recent development of lumbering in Wood Buffalo Park just south of the Territorial boundary.

Although mining is the industry which gives the greatest promise to stimulating expansion in the Territorial economy and thereby bring an increase in population, Mr. Robertson said it would be unfortunate to ignore those other industries which now produce mainly or entirely for local use--agriculture and horticulture, lumbering and wood products, the service industries and the small manufacturing industries. None of these industries can be expected to stimulate a general economic expansion, but they are all capable of considerable growth as the economic structure of the Territories develops, the Commissioner said.

ALTERNATIVE EMPLOYMENT

Mr. Robertson said that the problems which have been created for those dependent on trapping by the current low fur prices, not infrequently coupled with low catches, are most serious. Fortunately, he said, opportunities for alternative employment have developed in a number of the areas which were most seriously hit, and they are likely to continue for several years. The construction of the Distant Early Warning line has provided employment for a considerable number of men living in the Delta region, and many of these opportunities are likely to continue during the operational phase, the Commissioner stated. The construction of the new Aklavik will also provide important employment opportunities for several years to come. In other parts of the Mackenzie District construction projects and road building programmes are serving the same purpose.

"Several problems, however, still present themselves", Mr. Robertson said. "The first is to see that a sufficient number of our people are equipped to take advantage of these wage

earning opportunities. It is here that our vocational training programmes are of key importance, and I am glad to say that, although we have only started, the results so far are heartening. With training programmes and with progressive adaptation to wage employment there is no reason why the native and other people resident in the Territories should not provide fully as satisfactory a labour force as workers who are now so often brought in from the outside."

MUST EXPAND ECONOMY

Mr. Robertson referred to a problem which exists in some areas now and which may be of more serious consequence in a few years, that of finding sufficient jobs to accommodate those who are capable of filling them and are anxious to leave the trapping industry. Reliance on defence and other government construction activities is adequate for short-term and interim purposes, he said, and it does not appear that it will, in the long-run, be possible to provide adequate economic opportunity in the Territories unless there is an expansion--and a material expansion--in its basic economy.

Some indications of economic expansion are now apparent, the Commissioner said. A large timber berth in Wood Buffalo Park has recently been let by the Federal Government to a firm of commercial operators, and as a result plywood, planing and sawmills will be constructed at Fort Fitzgerald, just south of the Territorial boundary. When the project is completed by the end of 1958 it is expected to employ some 250 men, the great majority of whom will be local residents. Many of the workers will undoubtedly be people of the Northwest Territories who will continue to reside in or near Fort Smith. Furthermore, if it has proved economic to exploit timber stands in the Wood Buffalo Park just a short distance south of the Northwest Territories border, it is reasonable to expect that before long similar enterprises will take place within the Territories wherever there are substantial stands of commercially valuable timber.

Another industry in which some expansion may be expected is the commercial fishery of Great Slave Lake, Mr. Robertson stated, but this will come about only if costs can be brought down. Some increase in the catch took place in the season of 1955-56, but the take was still less than the nine million pound quota by nearly two million pounds. The Great Slave Lake fishery is a high-cost operation and the companies seem unwilling to take the risks involved in making the additional capital expenditures that would be necessary if the catch were to reach the annual quota. If, however, the costs of transporting the fish to

market could be substantially reduced, it seems likely that the necessary investment might be made.

"While giving full significance to the very considerable importance of these potential developments, I think that there is little argument that mining is the one activity which can be counted upon to create a substantial economic improvement in the Northwest Territories", the Commissioner said. "In this industry, too, there are signs of development, but there are important problems which make it impossible to have any feeling of complacency. The main trouble with mining in the Northwest Territories is its present concentration on gold and uranium. Gold mining, in general, is at its best at a time of a depression and at its worst in a boom, because the price normally remains constant while costs tend to rise in a boom and to fall in a depression. Gold mining, therefore, has for some years been suffering from a serious squeeze between rising costs and fixed prices. This squeeze would have been much worse if the benefits of the Emergency Gold Mining Assistance Act had not been continued, but this assistance has nevertheless been insufficient to inspire any expansion of industry."

BASE METALS

"What is really required to give a health foundation to mining in the Northwest Territories is the development of a number of base metal properties. Then, with gold, uranium and base metals, the economy would have some insulation against the rigours of both inflation and deflation and a broader base to withstand the fluctuations of the economic climate."

Continuing, Mr. Robertson said:

"A very considerable degree of exploration for copper, lead and zinc is now taking place in the Mackenzie District. It is particularly active on the northwest and the south shores of Great Slave Lake; to the south and to the East Arm of that lake; and at various points between the Lake and the Arctic Coast. This is a source of considerable encouragement, but again optimism has to be restrained. The reason for the present concentration in the Territories on gold and radio-active minerals is that these yield products whose value is high in relation to weight or bulk. Because of that they can be shipped out without suffering too severely from high transportation costs. Base metals are a very different thing. Mines producing them yield a product which is far heavier and bulkier for each dollar of value. The costs of transportation become a serious consequence. We must, I think, face the fact that cheaper and more adequate transportation will be necessary before there is any large-scale development of base metal mining. Indeed, there is good reason to believe that much of the exploration now taking place has been stimulated by the recent discussion of

the possibility of building a railway to Great Slave Lake, and it is open to question how far much of this exploration will be carried if a railway does not materialize in the near future.

"An important step is being taken to provide better transportation facilities by the construction of a road from Hay River around the west end of Great Slave Lake to Fort Rae and thence to Yellowknife. The road will be of undoubtedly value but I think there can be little argument but that the most important stimulus that could be found for the economic development of the Mackenzie District would be the construction of a railway to Great Slave Lake. I do not intend to elaborate the arguments that have already been put forward in favour of this project, but I think one cannot avoid the conclusion that its early construction is essential if any significant improvement is to occur in the basic economy of the Northwest Territories. The increased level of defence and other government construction work in the Territories in the last two years is a temporary help, but it can also be a danger if it is mistaken for genuine economic activity on a firm and lasting base. It is only if the growth of such activity occurs that those of us who have special responsibility for the welfare of the Territories and its people can feel that a secure and sound position is being achieved."

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BREAK-THROUGH: The Department of Transport's powerful icebreaker CGS "d'Iberville" has successfully fought her way through the ice to the Arctic settlement at Eureka, on Ellesmere Island, within 700 miles of the North Pole.

As reported in this Publication dated June 27, ice conditions in Norwegian Bay made it impossible last year for the "d'Iberville" to smash her way through to Eureka. In August, 1954, the powerful icebreaker made her first visit to this joint Canadian-United States Arctic weather station.

When the "d'Iberville" completed her task of landing supplies and equipment for the Eureka weather station, the icebreaker will return direct to Quebec. In the meanwhile the convoy of ships which the "d'Iberville" escorted to Resolute earlier in the month have completed the unloading of 6,000 tons of cargo and supplies and are on their way back to Quebec, escorted by the icebreaker CGS "N.B. McLean". The convoy consists of the cargo ship S.S. "Federal Voyager" and the tanker MV "Green Ranger". The Department of Transport's Arctic Supply Ship, CGS "C.D. Howe" remained in Resolute until the convoy had departed for home and is now continuing her annual task of visiting the various outposts bordering on Eastern Arctic waters.

SOUND ECONOMIC CONDITIONS

Paralleling the striking growth of the trade union movement in Canada has been a substantial increase, particularly since the end of the Second World War, in the standard of living and general economic security of all Canadians.

This was the theme developed by the Hon. Milton F. Gregg, V.C., Minister of Labour, in a Labour Day message to Canadian workers.

Mr. Gregg pointed out that this year more than 1,351,600 trade union members were celebrating Labour Day, almost four times the strength of the labour movement in 1939, and that organized labour now represents 33 per cent of all paid workers as compared to 16 per cent in 1946.

HIGH STANDARD

Assessed from any point of view, Mr. Gregg said, Canadians as a whole are now enjoying a very high standard of living.

With one million new houses built since World War II, and construction continuing at a high rate, Canadians today are among the best housed people on earth. Employment is at an all-time high. Average weekly earnings in Canadian industries are also at record levels, having just about doubled in the postwar period. Through collective bargaining with employers and otherwise Canadian workers are now enjoying longer annual vacations after shorter periods of service, as well as more paid statutory holidays than at any previous time. For example, the proportion of manufacturing employees in plants where it is policy to grant a paid vacation of at least two weeks has risen since 1947 from 57 to 92 per cent, and the proportion of those who work in establishments granting six or more paid statutory holidays in a year has risen during the same period from 36 to 80 per cent. Standard weekly hours of work are lower than ever before; over four-fifths of industrial employe-

es are now on a five-day week, and most of them are working 40 hours or less. In addition to all this there has been a very substantial increase in the coverage of industrial pension and welfare plans.

Mr. Gregg stated that there never was a period when more goods and services were being acquired and enjoyed by Canadians, and that these goods and services are of such quality and advanced design that many similar things produced only a few years ago now seem modest by comparison. The technological advances of industry, which have resulted in greater productivity and permitted the introduction of shorter hours and higher real wages, have also found their way into the home, where labour-saving appliances with automatic features have meant an increase in leisure time. Meanwhile, new plants and office buildings give clear indication that they are designed, not merely to house machines, but also to provide safe and pleasant working conditions for men and women. Modern means of production, distribution and merchandising point up in dramatic fashion the rise in our standards which has taken place in slightly more than a decade, the Minister said.

CONFIDENT FORECAST

Mr. Gregg continued:

"We have proven that we can maintain a high standard of living and at the same time man our armed forces, support the large military defence production which is necessary, and fulfill our other international commitments to the cause of peace and the economic development of less fortunate areas of the world."

"No one can safely forecast the long-term future but, among business and industrial leaders, there is a sober confidence that augurs well for economic conditions generally in the foreseeable future."

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COFFERS SWELL: A surplus of \$330.4 million for the first four months of 1956-57 ended July 31 has been announced by the Hon. Walter Harris, Minister of Finance, in a statement on the Government's financial operations.

In the period under review, budgetary revenues were \$1,613.3 million and expenditures \$1,282.9 million. For the same period a year ago, revenues were \$1,332.1 million, expenditures were \$1,200.1 million, and the surplus was \$132 million.

Budgetary revenues for July were \$459.8 million, expenditures were \$349.8 million and

the surplus was \$110 million. For July 1955, revenues were \$369.8 million, expenditures were \$307.4 million and the surplus was \$62.4 million.

Operations of the old age security fund, which are not included in budgetary transactions, resulted in a very small deficit for July 1956, and a cumulative deficit of \$6.2 million for the four months to July 31. Last year for the four months to July 31, 1955, there was a cumulative deficit of \$16.9 million. These deficits were covered by temporary loans by the Minister under the terms of the Old Age Security Act.



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DEVELOPING THE NORTHLAND

Canada is pressing forward with an extensive development programme in its vast northern regions.

Construction work amounting to almost \$10-million is under way or in the planning stage in the Far North this year by the Federal Department of Public Works. This includes Departmental projects as well as various construction works undertaken for other departments of government.

A total of 95 projects, including jobs ranging in value from \$100 to over \$3,800,000 are included in the northern programme for which an estimated \$9,949,460 is expected to be spent during the present fiscal year. The Department of Public Works' programme consists of construction of homes for federal government employees, public buildings, wharfs, roads and bridges as well as some dredging. The total expenditure for these items is expected to amount to about \$1,772,500.

Among contracts let in the Department's road and bridge building programme is one for \$900,000 for the construction of a road near Hay River, Northwest Territories. The contract is for the first section of about 40 miles of a 22-foot wide gravel surfaced road beginning on the Mackenzie Highway near Alexandra Falls, located between Great Slave Lake and the 60th parallel which is Alberta's northern boundary. The road follows the general alignment of the old winter trail towards Mills Lake in a north-westerly direction paralleling the western end of Great Slave Lake. Depending on investigations taking place this summer the

road will turn north towards Rae at the most suitable crossing of the MacKenzie River. This will give access by road to that point where the MacKenzie River drains Great Slave Lake. This is a key point in the northern transportation system.

In the Yukon, a bridge is under construction over the Takhini River on the Whitehorse-Mayo Road at an estimated cost of \$200,000. Another bridge over the Yukon River at Whitehorse is being built for some \$226,500 and still another bridge project is one of reconstruction of the structure over the Mayo River on the Whitehorse-Mayo Road. It is estimated that this project will cost about \$200,000.

VARIED PROJECTS

Other projects by the Department of Public Works include preliminary work for Federal buildings at Aklavik at a cost of \$210,000; a housing project for federal government employees at Whitehorse, \$250,000; wharfs at Aklavik, \$60,000 and Tuktoyaktuk, \$50,000; and for completion of a new federal building at Yellowknife, which was started last year, \$300,000. Another federal building is being planned for Churchill. Preliminary planning on this project will be done under the planning vote of the Department of Public Works.

The largest project now in hand by the Department of Public Works on behalf of another government department is the construction of a \$3,858,600 hospital for the northern health service of the Department of National Health

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and Welfare at Whitehorse. A total of four projects are under way for this department, in addition to two town planning projects, one at Cambridge Bay and the other at Tuktoyaktuk.

Fifty-seven projects for the Department of Northern Affairs and National Resources, with an estimated cost of \$3,738,960 are either being planned or under way while 16 other buildings of various types, to cost some \$3,951,500 are included in the overall Department of Public Works, programme for the Departments of Transport, Citizenship and Immigration and National Health and Welfare.

A total of 12 projects for the RCMP including detachment quarters at Great Whale River, Frobisher Bay, Dawson, Port Harrison, Fort McPherson and Fort Providence; quarters for married members of the force at Mayo, Yellowknife and Whitehorse, a guard-room building at Fort Smith and the painting of a building at Cambridge Bay, at an estimated cost of \$486,500, are also part of the Department of Public Works' 1956-57 undertakings. Work is being carried out for the Department of Northern Affairs and National Resources at Great Whale River, Quebec; Port Harrison, Quebec; Baker Lake; Cambridge Bay, Cape Dorset, Fort Liard, Fort McPherson, Fort Rae, Fort Resolution, Fort Simpson, Fort Smith, Frobisher Bay, Hay River, Tuktoyaktuk, and Yellowknife in the Northwest Territories and at Whitehorse, Yukon Territories. The projects include such works as the construction of a laundry- and bath houses, homes, apartment buildings, offices, warehouses, powerhouses as well as the renovation of some buildings.

Also on the list are a well with pipeline and pressure system, sewage disposal system, water-supply system, rehabilitation centre, hostel providing dormitory space for pupils, staff quarters, dining and kitchen facilities, vocational training school with library, commercial room, home economics room, general shop, principal's office and staff room.

Staffs of the Department of Public Works at headquarters in Ottawa and in the District Engineer's and Architect's offices in Edmonton are pressing the programme forward to take full advantage of the limited number of transportation and working days in Canada's Far North.

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URBAN GROWTH: Covering centres in every province, but including mostly the smaller cities and towns, first figures of the 1956 Census indicate a distinct rise in Canada's urban population during the last five years. Out of 31 cities and towns with a population of 5,000 and over, all except three gained in population size since 1951 and some had particularly large gains. Of the other 459 smaller centres, only 87 declined in population. Small villages accounted for most of these decreases.

GOING DOWN UNDER: A. Hartley Zimmerman, Chairman of the Defence Research Board, left Canada on August 20 for Australia where, at the invitation of Sir William Penney, Director of United Kingdom Atomic Weapons Research, he will attend the joint UK-Australia atomic weapons tests scheduled for later this year.

At the same time, Mr. Zimmerman will inspect the work of a group of Defence Research Board scientists, who are assisting in aspects of the trials, and of Canadian service personnel, who will expose items of Canadian service equipment to the effects of the weapons.

In addition, Mr. Zimmerman will visit defence science laboratories and universities in Australia. His interests will be directed chiefly to the research and development of programmes being carried out by Australian establishments, including current projects at Salisbury and Woomera, the Australian weapons research establishments.

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ALL-TIME HIGH: The employment level, which has been rising rapidly in recent months, reached an all-time high during July. Although there was the usual strong influx of students and other seasonal workers into the labour force, this development produced a tighter manpower situation than in any year since the Korean build-up of 1951.

At July 21 this year the number of persons with jobs was estimated at 5,789,000, some 142,000 more than in June and 201,000 more than in July 1955. The number of persons without jobs and seeking work declined by 15,000 to 102,000, some 48,000 lower than in July 1955. Registrations for employment continued to show a similar downward trend, numbering 179,259 on July 19, 191,871 on June 21, and 211,280 a year ago. The Canadian labour force was estimated at 5,891,000 on July 21, 5,764,000 on June 23, and 5,738,000 a year earlier.

Particularly strong demand for workers during the month came from the farming, forestry, construction and tourist industries. Shortages of workers for these industries, but especially of farm and forestry workers, were reported from many parts of the country. Country-wide shortages continued to be evident among many professional and technical occupations.

Two-thirds of the total increase in July came from increasing farm activity, most of which originated in the Prairie and Ontario regions where labour supplies were already short. As a result, 20 of the 21 local labour market areas classified in shortage were in these two regions.

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WIDER RANGE: Over 56,000,000 acres of range are controlled by farmers, ranchers and community enterprises in Western Canada. These are being added to as Canada's agricultural regions extend northward, and as properties which are submarginal for field crops are abandoned.

CANADA'S PRIMARY STEEL INDUSTRY

One of the most important though perhaps not one of the best-known aspects of the remarkable industrial growth that has taken place in Canada since the outbreak of the second world war is the expansion of the primary iron and steel industry.

In a review of this expansion, the Bank of Nova Scotia *Monthly Review* points out that in fifteen years this industry has grown more than in the previous forty years--since its establishment in Canada around the turn of the century. Basic steel-making capacity has risen from less than 2.5 to 5.5 million tons annually. New rolling-mill facilities to process the crude steel have been added, old mills have been expanded and modernized, and the list of products made has been greatly extended. The industry, in short, has become not only much bigger, but more up-to-date, more efficient and more diversified.

The growth of the primary iron and steel industry to its present annual capacity of 5.5 million tons of crude steel along with these big imports is surely striking evidence of the expansion of the Canadian economy. Rapid growth in population and a rising standard of living together with the postwar programme of resource development have brought notable growth in the steel-using industries. Rising consumer demand for canned foods has led to expansion in the canning industry; and this, with the increasing use of tin containers for non-food products such as motor oils, has meant substantial growth in the containers industry and hence a much-increased demand for tinplate.

ENORMOUS DEMAND

The enormous demand for household appliances of all kinds to stock the record number of new homes being built has meant a very large expansion in the electrical apparatus industry and consequently a much-enlarged demand for sheet steel, demand for which has been further augmented by the growth in the automobile industry. Steel is also the main material required for capital goods; and the growth of the machinery industries that has stemmed from the building of new factories, new pulp mills and new power projects, and from the great activity in mining, road-building and communications has meant a heavy demand for steel of many kinds from bars, shapes and rods to plates and sheets. Expansion in the chemical industry and the oil-refining industry has also meant a growing demand for steel plates for tanks.

As a rough indication of the growth in the principal steel-using industries, it may be noted that in 1953 employment in the industries making automobiles and parts, electrical apparatus of all kinds, machinery, railway rolling-stock and sheet metal products was

approximately two-and-one-half times as large as in 1939.

At the same time, the postwar construction boom has brought an insatiable demand for structural steel (which in recent years has been in chronically short supply) as well as for concrete-reinforcing bars. And of course the mushrooming of oil and gas exploration and development in the West since the Leduc discovery in 1947 has brought a spectacular rise in the demand for pipes and tubes which, in addition to stimulating imports, has led to a substantial and continuing growth in the Canadian pipe industry, a major consumer of flat-rolled steel. This increase in demand for steel and steel goods from every sector of the Canadian economy explains why the Canadian market has been able to absorb a sharply increased domestic steel production as well as a record level of machinery and parts imports and a continuing large tonnage of imported steel rolling-mill products.

STRIKING RISE

With this growth, primary iron and steel has risen in relative importance among Canadian manufacturing industries. In 1939 it was fifteenth in number of employees, eleventh in gross value of products, sixth in net value added by manufacture (that is gross value of products less the cost of materials, fuel, and payments to other industries for supplies and services), and third in the amount of fuel and electricity used. In 1953, the latest year for which complete figures are available, it had risen to seventh in gross value of products and to sixth in employment, and had retained sixth place in net value added (being exceeded by pulp and paper, non-ferrous metal smelting and refining, motor vehicles, sawmills, and aircraft and parts) and third place in the amount of fuel and electricity used (being exceeded only by pulp and paper and non-ferrous metal smelting and refining).

Its high rank, particularly in relation to the three big export industries based on forest and mineral resources, becomes rather impressive in the light of two pertinent considerations. One is the fact that it is oriented mainly towards the domestic market, a market that is not only relatively small but that imports steel in large quantities. The other--of special interest in these days when one of the economic topics uppermost in the public mind is the part played by foreign capital in the development and control of Canadian industry--is that, in contrast to most of the industries that outrank it, the primary iron and steel industry is owned and controlled almost entirely in Canada.

After 1946, when steel production fell back to the lowest level since 1940 partly because of a prolonged strike in the industry, demand

for steel began to climb and has been strong during most of the intervening period, with the exception of 1954. The generally favourable market conditions offered a strong inducement to expand, and good earnings have enabled the industry to finance heavy capital expenditures to a large extent out of retained earnings and depreciation allowances with comparatively little recourse to the capital market. In the eight years 1948 to 1955 new capital investment in the Canadian primary iron and steel industry totalled no less than \$279 millions, and further expenditures of \$56 millions have been forecast for this year.

THE OUTLOOK

So far in 1956 the Canadian steel industry has been operating near capacity. In the first six months, output of steel ingots reached the record figure of 2.6 million tons, 21 per cent above the same period of 1955. To some extent the heavy demand has undoubtedly stemmed from an attempt to build up inventories, and how much inventory accumulation has actually taken place it is impossible to say. However, even before the United States steel strike, the major companies were expecting a high rate of operations to continue well into the latter part of the year, though there were beginning to be signs of easing in a few products. The interruption of United States steel production, now fortunately a thing of the past, has undoubtedly reduced inventories and demand will thus likely be higher than it would otherwise have been.

Even if inventories should prove to be over-heavy and there should be some temporary weakening in demand for certain types over the next few months, the outlook for steel is on the whole a strong one. The confidence of the industry is indicated by the capital programme now going forward, including the expansion of blast furnace capacity and the installation of another open hearth, another oxygen vessel, and a new blooming mill. The fact that two new electrolytic tinning lines are being installed indicates how favourable the prospects for tinplate are considered to be.

The expansion of the Canadian pipe and tube industry is also proceeding apace. Of note are the construction for initial operation later this year of a plant with a capacity of 225,-000 tons annually of seamless pipes and tubes for use in the oil industry, the commencement of work on a large-diameter pipe mill which will make welded pipe of 20 to 36 inches in diameter as compared with the present Canadian maximum of 16 inches, and the extension of the welded pipe industry into western Canada. And the revised forecast of capital expenditures in 1956 recently issued by the Department of Trade and Commerce, which indicates that most industries have enlarged their capital expansion plans since the start of the year, suggest that demand for structural steel, plates

and concrete-reinforcing bars will remain strong for some time to come.

It is not to be expected that the avid demand for all types of steel that has characterized most of the past year will continue without interruption. The contrast with 1954--when steel demand fell off substantially with the contraction in business activity, and when the impact on the primary industry was intensified by a drawing-down of steel-users' inventories--is indicative of the sharp fluctuations to which this industry is subject. There is also the question of competition from substitute materials, especially aluminum (though the total steel market is unlikely to be seriously affected for as far ahead as can be seen).

FUTURE GROWTH

Nevertheless, as has been pointed out, there are still a good many products not made in Canada or not made in sufficient quantity to satisfy the needs of the Canadian market. Moreover, there is some evidence in the expanding consumption of such products as tinplate and galvanized sheets that increasing domestic production helps to develop the market. And the prospect is for continued growth in the durable goods industries, as more parts and components are made in Canada and as this country supplies an increasing proportion of her own requirements of finished machinery and other steel manufactures.

It would certainly appear that over the longer term further substantial expansion in the Canadian primary steel industry can be expected, though probably not at the very rapid rate of the past few years.

* * * *

FINANCIAL STANDING: Canada's budgetary deficit was \$33 million compared with the forecast of \$52 million given in the budget speech of March 20, 1956, and revenues as finally determined were \$4,400 million, or \$15 million more than the budget forecast of \$4,-385 million.

These and other details of Canada's financial situation for the year 1955-56 were contained in a statement reviewed August 18, by the Honourable Walter Harris, Minister of Finance.

Expenditures, including \$63 million for the write-off of the temporary loan made to the old age security fund to cover the 1954-55 deficit in the fund, were \$4,433 million, or \$4 million less than the budget forecast of \$4,437 million.

At March 31, 1956, the gross liabilities of the Government amounted to \$19,124 million, of which \$15,408 million consisted of unmatured bonds and treasury bills. As assets totalled \$7,844 million, the net debt of Canada amounted to \$11,280 million at the end of the fiscal year.

GOUVERNEMENT



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PROROGATION DU PARLEMENT

Le député de Son Excellence le Gouverneur général le juge Patrick Kerwin, juge en chef de la Cour suprême du Canada, a prorogé le 14 août la troisième session de la vingt-deuxième législature du Canada. Cette dernière, qui s'était ouverte le 10 janvier, a duré exactement 152 jours, soit 3 jours de moins que la session de 1903 qui détient jusqu'à présent le record.

Dans le discours du Trône prononcé devant les membres du Sénat et de la Chambre des communes, le juge Kerwin a souligné que, depuis l'ouverture du Parlement, la tension entre l'Union soviétique et l'Occident était allée diminuant mais qu'aucun événement ne nous permettait de croire que les objectifs fondamentaux de l'Union soviétique avaient changé. La situation au Moyen-Orient s'est malheureusement aggravée, a-t-il ajouté, par suite de la mainmise soudaine du Gouvernement de l'Egypte sur le canal de Suez, geste qui a suscité un nouvel élément de discorde et un nouveau danger dans cette partie agitée du monde.

Toujours au sujet de la situation internationale, M. Kerwin a déclaré: "Mes Ministres poursuivent leurs efforts, par l'entremise des Nations Unies et de l'Organisation du Traité de l'Atlantique Nord, en vue de consolider les forces au service de la paix et de participer pleinement à toutes les tentatives visant à résoudre les problèmes internationaux qui divisent le monde de façon si malheureuse".

La conférence des premiers ministres du Commonwealth, qui s'est tenue à Londres durant la session, a donné lieu à des échanges de vues très utiles sur la situation internationale "dans l'atmosphère de collaboration amicale qui caractérise ces réunions".

PROGRÈS CONSTANT

Cette année encore, l'économie canadienne marque une expansion et un progrès constants. La situation commerciale est bonne et l'embauche se situe à un niveau élevé. Le juge Kerwin a fait mention des chiffres remarquables de notre commerce international et souligné que de fortes ventes à l'étranger avaient heureusement réduit les stocks considérables de céréales accumulés à la suite des récoltes surabondantes. Il a fait remarquer que le chiffre élevé des dépenses en immobilisations de cette année était une preuve de la confiance des Canadiens dans la puissance économique du pays.

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Poursuivant son discours le juge Kerwin a déclaré:

"Vous avez adopté une loi qui autorise le gouvernement à verser aux gouvernements provinciaux des paiements de péréquation d'impôts et des paiements de stabilisation de revenu provincial ainsi que des paiements de location de domaines fiscaux aux provinces qui préféreront conclure une convention avec le gouvernement fédéral au lieu de lever elles-mêmes certains impôts. Ces mesures ont été étudiées, cette année et l'année dernière, au cours de réunions entre représentants des gouvernements fédéral et provinciaux, et mes Ministres sont d'avis que dans l'ensemble ces nouvelles dispositions constituent une amélioration substantielle et réaliste des relations fiscales entre les gouvernements fédéral et provinciaux.

"Le gouvernement a également annoncé que, lorsque la majorité des gouvernements provinciaux, représentant la majorité de la population canadienne, seront prêts à adopter un programme d'assurance des soins hospitaliers, il sera disposé à recommander une mesure législative portant paiement aux provinces intéressées d'une part importante des frais d'un tel programme.

"Vous avez au moyen d'une loi autorisé le gouvernement à conclure des ententes avec les gouvernements provinciaux en vue du partage des frais de l'assistance aux chômeurs dans le besoin qui ne sont pas admissibles aux prestations d'assurance-chômage. Six gouvernements provinciaux ont signé de telles ententes.

"Donnant suite à une loi adoptée au cours de la présente session, on a commencé l'aménagement d'un pipe-line exclusivement canadien qui amènera le gaz naturel de l'Alberta aux marchés de l'Est.

"Vous avez adopté une mesure législative modifiant la Loi sur la route transcanadienne en vue d'autoriser une plus forte contribution du gouvernement fédéral à la construction de la route transcanadienne et ainsi hâter l'achèvement de cette importante artère nationale.

"La Loi nationale sur l'habitation a été modifiée pour permettre au Gouvernement d'apporter une aide et un encouragement plus efficaces au réaménagement des vieux quartiers de nos villes. Une autre modification à cette loi prévoit une nouvelle augmentation des montants pouvant être prêtés pour l'amélioration des maisons.

"Un comité mixte des deux Chambres a fait une étude poussée des travaux et des projets de la Commission du district fédéral. L'étude du comité constituera un guide très utile dans l'aménagement futur de notre capitale nationale.

"Vous avez permis l'extension des facilités mises à la disposition de notre population agricole grâce à la Commission du prêt agricole canadien et à la Loi sur les prêts destinés aux améliorations agricoles.

"Vous avez étendu le champ d'action de la Banque d'expansion industrielle afin de favoriser davantage le progrès des petites industries dans tout le pays.

"Une loi a été adoptée qui assure aux femmes un salaire égal à celui des hommes, pour un travail égal, dans les industries qui sont de la compétence fédérale.

"Des modifications ont été apportées à la Loi sur l'assurance-chômage, dont une qui permettra d'étendre cette loi à la plupart de ceux qui travaillent dans l'industrie de la pêche..."

* * * * *

PRODUCTION CINÉMATOGRAPHIQUE

L'an dernier, 46 sociétés canadiennes ont produit des films; elles en ont retiré des profits bruts de \$2,456,038. Ces renseignements sont tirés du rapport annuel du Bureau fédéral de la statistique sur la production cinématographique, qui donne aussi les chiffres de 1954: 45 sociétés, profits de \$2,106,131.

Les projections cinématographiques de cinq minutes ou plus, produites par les entreprises privées et les organismes gouvernementaux comprenaient un long-métrage dramatique (en 1954: deux), 47 courts-métrages dramatiques (au lieu de 50); 338 films pour la télévision (335) et 352 autres documentaires (contre 363).

Notons la progression du nombre de bandes publicitaires réalisées pour la télévision: 1,334 au lieu de 691. Enfin, on a tourné 1,546 extraits publicitaires de films, nouvelles-éclairs et bandes publicitaires (1954: 1,551), 280 reportages pour le cinéma (347), et 385 pour la télévision (903), 227 projections fixes silencieuses (263), et 66 sonores (53).

PRODUCTION CONSIDÉRABLE DE PÉTROLE

La production de pétrole brut au Canada a augmenté de près de 24 p. 100 en mai, passant de 9,712,000 barils l'an dernier à 12,006,700 cette année et de 42 p. 100 durant les cinq premiers mois de l'année, soit de 46,029,700 à 65,322,200 barils. La production de gaz naturel s'est accrue de 11 p. 100 en mai si on la compare à celle de l'année pré-

cédente (11,169,630,000 pieds cubes contre 10,163,106,000), avec ce résultat que le chiffre des cinq premiers mois a fait un bond de 19 p. 100, passant de 64,928,803,000 à 77,084,507,000.

Dans l'Alberta, la Saskatchewan et le Manitoba, la production de pétrole brut a été marquée d'une augmentation sensible, tant en mai que durant les cinq premiers mois. En Alberta, le chiffre en est passé de 8,607,100 barils à 9,976,600 en mai et de 41,021,300 à 55,930,800 entre le 1^{er} janvier et le 31 mai. En Saskatchewan, la production a presque doublé en mai, atteignant 1,472,200 barils contre 780,900, tandis qu'elle a plus que doublé entre janvier et juin, se chiffrant par 6,714,000 barils, contre 3,325,000. Pour ce qui est du Manitoba, le chiffre est passé de 245,800 à 461,200 barils en mai et de 1,297,700 à 2,239,100 durant la seconde période.

Les ventes de gaz naturel sont passées de 8,067,950,000 pieds cubes à 11,124,062,000 en mai et de 56,264,701,000 à 74,505,090,000 au cours des cinq premiers mois. Quant aux ventes de gaz industriel, leur chiffre est passé de 1,567,814,000 pieds cubes à 1,636,- 885,000 en mai et de 8,528,715,000 à 8,884,266,000 entre le 1^{er} janvier et le 31 mai.

LA LUTTE CONTRE LA TUBERCULOSE

Le programme du congrès annuel de la Société anti-tuberculeuse du Canada comprenait l'étude de la lutte contre la tuberculose chez les populations indiennes. M. le docteur P.E. Moore, directeur du Service de santé des Affaires indiennes, a ouvert la discussion. Il a déclaré que la mortalité causée par la tuberculose diminue à un rythme encore plus accéléré chez les Indiens et les Esquimaux que parmi les Blancs. Le taux de mortalité s'élève tout de même à 48 par 100,000.

Le Canada compte à l'heure actuelle un peu plus de 10,000 Esquimaux et de 151,000 Indiens; total, environ 162,000. Les Services de santé ont fait subir des radiographies pulmonaires à 79,840 Indiens, à 6,812 Esquimaux et à 16,430 non-indigènes lors d'examens sur place et à 11,259 Indiens et 376 Esquimaux dans les écoles.

Ces examens ont permis de dépister 1,329 nouveaux cas et 210 récidives, en plus de 588 malades dont on connaissait déjà l'état. Enfin, on a appris l'existence de 500 autres malades grâce aux médecins, aux infirmières et aux visites médicales lors des entrées à l'hôpital. Le 1^{er} janvier 1956, on trouvait 2,982 patients indiens dans les sanatoriums.

NOUVELLE MÉTHODE À L'ÉTUDE

L'hôpital Charles-Camsell, d'Edmonton, pour Indiens étudie une nouvelle méthode de réadaptation de ces derniers. La réadaptation de l'Indien tuberculeux doit viser à lui permettre le travail dans les villes, au sens des animateurs de ces recherches. Ils y trouveront plus facilement de l'emploi, (comme les autres Canadiens d'ailleurs).

Ce plan a pour but de les adapter à la vie urbaine; on les renseigne au sujet des banques, du commerce, des distractions, des églises, de tout ce qu'ils connaissent mal.

Au cours des six derniers mois, on a placé 60 patients dans des maisons de réadaptation. Ils y poursuivent leur apprentissage ou leur formation scolaire ou professionnelle. Quinze d'entre eux effectuent leur entraînement au service d'entreprises privées et leur intégration à leur nouveau milieu humain ne suscite aucun obstacle.

On vient de fonder le premier Centre pour la réadaptation des Indiens au Canada. Les cadres en sont fournis surtout par les fonctionnaires dirigeants des ministères fédéraux dont relèvent ces questions. Toutefois, certaines sociétés de bienfaisance dont la Société anti-tuberculeuse de l'Alberta, les Unions chrétiennes de jeunes filles (Y.W.C.A.) et les Unions chrétiennes de jeunes gens (Y.M.C.A.), y apportent leur concours. On envisage l'établissement d'organisations semblables ailleurs si l'expérience produit de bons résultats.

M. A.F. Smith a communiqué des données statistiques sur la tuberculose chez les Indiens. Les chiffres des admissions aux sanatoriums et centres de traitement de la tuberculose nous révèlent qu'un huitième des cas surviennent dans ces milieux, qui ne forment qu'un quatre-vingtième de la population. Le taux d'admission au sanatorium est de 1,080.3 par 100,000 pour les Indiens et les Esquimaux, contre 87.5 pour les autres Canadiens. Les cas de tuberculose chez les autochtones sont fort nombreux dans tous les groupes d'âge. Cependant, l'écart entre le taux des indigènes et celui des non-indigènes est plus net chez les sujets très jeunes ou très âgés. On relève cinquante fois plus de tuberculeux parmi les Indiens et les Esquimaux de moins de neuf ans que chez les autres enfants du même âge.

CHIFFRE DE POINTE DES EXPORTATIONS

Les exportations de blé canadien à l'étranger (exception faite des exportations aux États-Unis) ont atteint leur plus haut sommet depuis quatre ans au cours de la campagne qui vient de prendre fin, signale le Bureau fédéral de la statistique. Les exportations de seigle et de graine de lin ont été sensiblement plus considérables qu'en 1954-1955, mais celles d'avoine et d'orge se sont révélées inférieures.

Les exportations de blé outre-mer se sont élevées à 261,943,000 boisseaux contre 206,829,000 en 1954-1955, et 306,129,000 en 1952-1953. Les exportations de graine de lin sont parvenues à 11,577,000 boisseaux contre 6,345,000 en 1954-1955; de seigle, à 8,915,000 b. (7,473,000); d'orge, à 35,459,000 b. (58,007,000); et d'avoine, à 1,757,000 b. (6,825,000).

Au cours de l'année-récolte, les cultivateurs des Prairies ont livré 336,715,000 boisseaux de blé contre 319,777,000 un an auparavant. Les livraisons de graine de lin sont passées de 8,790,000 à 15,468,000 boisseaux, mais celles d'avoine sont tombées de 70,086,000 à 66,507,000, celles d'orge, de 112,502,000 à 109,730,000, et celles de seigle, de 13,191,000 à 11,909,000.

Les stocks de blé canadien à la fin de l'année étaient moins considérables que l'année précédente, soit 360,014,000 boisseaux contre 395,800,000. Les stocks visibles d'avoine étaient supérieurs (44,582,000 contre 30,226,000), de même que les approvisionnements d'orge (56,930,000 contre 49,013,000) et de graine de lin (1,838,000 contre 909,000). Enfin, ceux de seigle sont tombés de 8,251,000 à 5,874,000.

NOUVELLE SÉRIE D'OBLIGATIONS

La onzième série d'obligations d'épargne du Canada sera mise en vente le 15 octobre. Les bons, en date du 1^{er} novembre 1956, viendront à échéance dans douze ans et demi, soit le 1^{er} mai 1969; ils seront en vente à la parité jusqu'au 15 novembre 1956.

La onzième série comportera treize coupons, dont un pour six mois et les douze autres pour une période d'un an chacun. Les deux premiers porteront intérêt à 3½ p. 100, les deux suivants, à 3½ p. 100, les deux suivant ces derniers, à 3½ p. 100 et enfin les sept autres, à 4 p. 100. L'intérêt moyen, à l'échéance, s'établira à 3.76 p. 100 par année.

On souligne que les dix premières séries d'obligations ont suscité un si vif intérêt dans le public canadien qu'on a décidé d'en lancer une onzième en octobre. Le nombre des souscripteurs s'est élevé l'an dernier à 1,176,589, tandis que les souscriptions se sont chiffrées par 725 millions de dollars. Le chiffre total des obligations vendues depuis le lancement de la première série atteint \$4,889,127,800 dont \$2,253,648,800 se trouvent actuellement entre les mains des acheteurs.

Le nombre des firmes qui permettront à leurs employés d'acheter des obligations selon le mode de prélèvements sur le traitement atteindra vraisemblablement les 12,000. On s'attend en outre que les courtiers en placements, les banques privilégiées, les compagnies de confiance et autres institutions de gestion s'occupent de la vente de la onzième série.

BILAN DES CHEMINS DE FER

La moyenne des recettes des chemins de fer par mille de route est passée de \$26,521 en 1954 à \$28,190 en 1955 dans le cas du National-Canadien et de \$27,116 à \$28,728 dans le cas du Pacifique-Canadien, révèle le rapport annuel sur les deux grands chemins de fer du Canada.

Les recettes d'exploitation du National-Canadien se sont élevées à \$683,088,794 (1954: \$640,637,280). Son réseau s'est étendu sur 24,231 milles contre 24,155 en 1954. Il y a eu progression des recettes également pour le Pacifique-Canadien: \$488,290,061 au lieu de \$467,039,827, mais diminution du réseau: 16,997 milles contre 17,003.

Les dépenses d'exploitation du National-Canadien ont été plus considérables en 1955 qu'en 1954: \$629,013,125 contre \$626,465,274. Il en a été de même pour le Pacifique-Canadien: \$419,757,731 contre de \$416,536,113. Le revenu net du National-Canadien (\$54,075,669) est le plus considérable qui ait été enregistré depuis 1950 (\$59,834,502), tandis que celui de l'an dernier avait été particulièrement bas (\$14,171,906). On note également une augmentation sensible dans le revenu du Pacifique-Canadien: \$68,532,330 en 1955 contre \$49,503,714 l'année précédente. C'est le plus haut chiffre depuis 1944 (\$70,337,164).

STABILISATION DE L'ÉCONOMIE CANADIENNE

M. Walter Harris, ministre des Finances, a prononcé un discours à la Chambre des communes le 11 août. M. Harris a souligné que, pour la majorité de la population et des industries canadiennes, l'année 1956 serait marquée d'une prospérité sans précédent. Il a rappelé la nécessité d'une politique financière et monétaire rationnelle, pour conserver la stabilité de l'économie nationale.

Le Ministre a ajouté que le rythme des dépenses globales risquait de dépasser, d'ici quelques mois, celui de la production de biens et de services. Toutefois, à son avis, le progrès économique de la nation pourra continuer de correspondre à l'expansion des marchés extérieurs, pourvu que deux conditions se réalisent: caractère rationnel des programmes fiscaux et monétaires, discipline raisonnable assumée volontairement par chaque citoyen.

Nous reproduisons le texte de M. Harris:

"Les programmes financiers et monétaires du Canada sont destinés, entre autres choses, à encourager l'essor soutenu de notre économie dans le cadre d'un niveau stable des prix dans l'ensemble. Grâce à l'essor régulier de notre économie, nous pouvons assurer la subsistance d'une population qui s'accroît rapidement et une hausse régulière des niveaux de vie. On reconnaîtra, je crois, que depuis la fin de la guerre de Corée cet objectif d'essor soutenu, de prix stables et de niveaux de vie plus élevés ont été atteints d'une façon satisfaisante.

"Nous savons tous, bien sûr, qu'il y a diverses forces extérieures et intérieures qui peuvent de temps à autre empêcher l'essor stable de l'économie. Par exemple, le Canada ne peut jouir d'un essor constant et d'un haut niveau d'embauche si de puissants éléments défavorables restreignent ou limitent les débouchés à l'égard de nos produits en notre pays ou à l'étranger.

"Nous ne pouvons non plus maintenir les prix stables si les niveaux des prix mondiaux subissent de grandes fluctuations, comme c'est arrivé durant la guerre de Corée, et, bien entendu, durant toutes les autres guerres. Cela dit, il reste que des mesures appropriées d'ordre monétaire et fiscal peuvent avoir une importante influence stabilisatrice sur l'économie.

CIRCONSTANCES SPÉCIALES

"Je passe maintenant à l'examen des circonstances spéciales d'ordre économique dont il a fallu tenir compte, jusqu'ici en 1956, dans la formulation de mesures fiscales et monétaires. Les députés se rappelleront que dans mon exposé budgétaire, il y a quatre mois, j'ai dit que 1956 serait une autre année où le progrès économique serait considérable. Cependant, j'ai signalé que le niveau élevé de l'activité commerciale qu'on prévoyait pour 1956 exercerait probablement une pression énorme sur la disponibilité des matières premières, de la main-d'œuvre et des autres ressources économiques et que, par conséquent, il était souhaitable pour tous de faire preuve de modération et de prudence dans leur programme de dépenses. Ce n'est que de cette façon qu'il serait possible d'éviter l'inflation ou les autres perturbations qui pourraient autrement se produire.

"Lorsque nous jetons un regard sur notre pays, nous constatons que la plupart de nos industries sont encore plus actives qu'on ne le prévoyait plus tôt cette année. La statistique confirme cette observation; mais je n'ai pas besoin d'entrer dans les détails, car mon collègue le ministre du Commerce l'a fait. Je devrais, cependant, parler du dernier relevé qui indique que les immobilisations atteindront environ huit milliards de dollars. La valeur des immobilisations, si on atteint l'objectif voulu, dépasserait de 28 p. 100 celle de l'année dernière. Cela donne une idée de la vitesse acquise de notre essor économique en ce moment.

AUGMENTATION CONSTANTE

"J'ai à peine besoin de dire que c'est l'augmentation constante, d'année en année, des usines et de l'équipement du Canada qui, plus que tout autre chose, favorise le développement de notre productivité économique. C'est à ce titre qu'elle permet l'accroissement constant du bien-être parmi notre population et qu'il nous faut tous la constater avec satisfaction.

"Toutefois, cette forte augmentation des placements projetée pour 1956 doit avoir lieu au moment où s'accroît le rendement de nos industries d'exportation; où s'étend l'activité des industries qui produisent des marchandises et offrent des services dans l'intérêt du consommateur, et alors que l'emploi atteint déjà un niveau élevé. Il est donc très douteux que nous ayons au Canada les usines, les matières premières et la

main-d'œuvre nécessaires pour réaliser entièrement pareille augmentation des immobilisations, qui irait de pair avec l'accroissement prévu des exportations, des articles de consommation et des services, ainsi que toutes autres choses dont on a besoin.

"L'envergure de ces immobilisations, sous forme d'usines et d'outillage, se reflète aussi dans le niveau élevé des importations, et l'arrivée de capitaux de l'étranger, qui, en réalité financent l'excédent des importations.

"Je pense que j'en ai dit assez pour indiquer qu'à mon avis le danger existe qu'au cours des prochains mois le rythme des dépenses globales tende à dépasser l'aptitude de l'économie à produire d'autres marchandises et services assez rapidement. Cela signifie que certains placements additionnels qu'on projette de faire aujourd'hui ne seront pas encore pleinement réalisés à cause des limites matérielles déjà mentionnées.

"Dans ces circonstances, quels programmes financiers et monétaires sont appropriés? En premier lieu, je dirais que les programmes du Gouvernement ne devraient pas contribuer inutilement à accroître la demande de marchandises et de services.

"En tenant compte de cela et prévoyant qu'en 1956 les particuliers et l'industrie feraient de lourdes dépenses, le Gouvernement a scruté avec soin ses propres dépenses avant de présenter ses prévisions budgétaires au début de 1956. Il a en particulier réduit aux dépenses essentielles les programmes de divers ministères.

"En ce qui concerne la situation monétaire, l'augmentation de la demande de crédit a constitué un aspect marquant des 15 derniers mois. Les gens ont demandé de l'argent pour bien des fins, surtout pour financer de nouveaux placements sous forme d'usines, d'outillage et de stocks; on a aussi utilisé dans une plus grande mesure le crédit aux consommateurs. Nous en avons une preuve dans la forte augmentation des prêts consentis par les banques à charte. Le total impayé de leurs prêts pour le commerce en général et de leurs prêts aux particuliers, après être demeuré au chiffre relativement stable d'environ 3 milliards et quart en 1954 et durant le premier trimestre de 1955, a augmenté continuellement depuis; à son niveau actuel de 4 milliards et demi le chiffre est de 39 p. 100 plus élevé qu'il ne l'était il y a 16 mois.

"Il va sans dire que les fonds disponibles ont aussi augmenté. Nous réalisons des épargnes plus fortes à même notre revenu national plus élevé; des fonds supplémentaires ont été obtenus par l'émission de nouvelles obligations et le volume des capitaux étrangers placés au Canada s'est accru. Cependant, l'augmentation des approvisionnements de fonds prêtables n'a pas correspondu à l'accroissement de la demande pour ces fonds. Par conséquent, les taux d'intérêt ont augmenté.

EXPLICATION FONDAMENTALE

"Cette intensification de la demande à l'égard des fonds à la disposition des emprunteurs constitue l'explication fondamentale de l'augmentation des taux d'intérêt et de la rareté de l'argent qui se fait sentir de plus en plus depuis un an environ. C'est là la vraie façon d'expliquer pourquoi il est plus difficile et plus coûteux aujourd'hui pour tous les emprunteurs de se procurer les capitaux dont ils ont besoin. Point n'est besoin de dire que cela signifie que le rythme extrêmement rapide de notre expansion économique exige au Canada un encouragement maximum à l'épargne. Je profite de l'occasion pour annoncer aujourd'hui les conditions de la prochaine émission d'obligations d'épargne du Canada qui comportera pour les épargnans un rendement accru.

"Il est vrai que la Banque du Canada aurait pu faciliter l'expansion du crédit qui aurait donné satisfaction à toutes ces demandes d'argent, sans augmenter de quelque façon que ce soit les taux d'intérêt. Cependant, si on l'avait fait, il y aurait eu en circulation trop d'argent pour la quantité de marchandises disponibles, et il en aurait résulté une augmentation inflationniste des prix. La Banque du Canada a modéré le rythme de l'expansion du crédit, de façon à le maintenir dans un rapport raisonnable avec l'augmentation de la production. Cette mesure concourt à empêcher l'expansion actuelle de la production de tourner à la spéculation, l'inflation et l'instabilité.

"Selon le Gouvernement et selon la grande majorité des observateurs au courant de la situation, il était sage, étant donné les conditions économiques des douze derniers mois, de modérer le rythme de l'expansion monétaire. Je ne connais pas de personne réfléchie qui prétende ouvertement que l'inflation est un moyen de résoudre le problème que pose la demande trop grande.

"Faut-il dire que dans les circonstances présentes, le "resserrement du crédit" joue un rôle très important dans notre régime économique? En effet, il oblige les emprunteurs et les prêteurs à examiner de nouveau leurs programmes et, au besoin, à les reviser. Cela permet d'assurer que l'ensemble des programmes de dépenses correspond à la production totale qui est matériellement possible.

"La demande de fonds destinés à diverses fins économiques variera évidemment de temps en temps. De même, les institutions prêteuses changeront aussi d'avis à propos des placements qu'elles voudront faire, étant donné le changement de la situation économique.

De tels changements sont nécessaires et souhaitables dans une économie en évolution. Toutefois, il résultera une chose: aucun groupe particulier d'emprunteurs ne peut s'attendre que des fonds soient constamment et de plus en plus mis à sa disposition, peu importe ce qui peut se passer dans d'autres secteurs de l'économie.

TAUX DE LA BANQUE

"Hier, on m'a interrogé au sujet du taux de la Banque. En établissant son taux officiel, la Banque du Canada doit tenir compte des taux d'intérêt en général, tels qu'ils sont déterminés chaque jour sur le marché des obligations. Le gouvernement fédéral a un certain nombre d'obligations, d'émissions distinctes, en cours et le prix du marché et le rendement à l'égard de chaque émission influent sur le taux officiel. L'attention se porte souvent sur le rendement des billets du Trésor, car ils représentent les titres à plus court terme émis par l'État, et leur rendement est bien connu chaque semaine grâce à la publication du taux auquel l'émission hebdomadaire a été accordée. Toutefois, le rendement des billets du Trésor à 91 jours n'est qu'un élément dans l'ensemble du marché général où se déterminent les taux d'intérêt, et, d'une façon générale, le mouvement des diverses émissions gouvernementales est loin d'être uniforme. Ces dernières semaines, le rendement des obligations à court terme a augmenté un peu plus que celui des billets du Trésor.

"Je puis peut-être condenser en quelques phrases ce que je viens de dire. D'abord, 1956 semble devoir être, pour la majorité de nos industries et de nos gens, l'année la plus prospère encore vue. Le danger principal auquel nous sommes exposés, comme le sont un certain nombre d'autres pays, c'est que l'optimisme actuel nous porte à dépenser plus, pour l'achat de denrées et de services, que l'économie ne peut produire. Si cela arrivait, on assisterait à un bouleversement des prix et de la production propre à compromettre l'essor régulier de l'économie tout entière.

"La croissance constatée du point de vue de la demande de capitaux se manifeste par une hausse des taux d'intérêt et par la difficulté plus grande qu'on éprouve à se procurer des fonds d'une manière ou d'une autre. Il s'agit là, bien entendu, du processus d'auto-régulation qui aide à assurer l'équilibre de notre économie. Mieux valent des taux d'intérêt en croissance, que la montée en flèche des prix.

"Il est juste et raisonnable que dans notre régime fiscal, à l'heure actuelle, nous insistions surtout sur la compression des dépenses du secteur public, chaque fois que la chose est possible. Il est bon aussi qu'on puisse favoriser ce programme en exerçant une influence modératrice sur l'expansion du crédit.

"Etant donné des programmes fiscaux et monétaires rationnels, ainsi qu'une certaine discipline raisonnable de la part de chacun d'entre nous, il n'y a pas de raison pour que notre progrès économique ne continue pas à correspondre à l'expansion de nos marchés extérieurs.

* * * * *

CONSTRUCTION DE LOGEMENTS

La première moitié de l'année a vu une activité sans précédent dans le domaine de l'habitation, nous apprend un rapport provisoire du Bureau fédéral de la statistique. On n'a jamais entrepris la construction de tant de maisons en six mois; il y a eu également nette progression du nombre des logements en cours de construction à la fin de juin, par rapport à l'an dernier. Enfin, on a parachevé la construction de 58,012 logements depuis le 1^{er} janvier, contre 52,228 au cours des six premiers mois de 1955. L'augmentation a été moins caractérisée dans le nombre des chantiers ouverts, soit: 59,645 contre 58,706. Quant aux logements en cours de construction à la fin de juin, leur nombre s'élevait à 79,429 contre 76,393 l'an dernier.

NOUVEAUX CITOYENS CANADIENS

Depuis le 1^{er} janvier 1947, date de la mise en vigueur de la Loi sur la citoyenneté canadienne, 157,530 personnes de nationalité étrangère ont été naturalisées au Canada. Voici, suivant les années, le nombre de certificats de citoyenneté accordés:

1947	6,318
1948	13,494
1949	11,995
1950	10,637
1951	12,553
1952	10,749
1953	13,528
1954	19,545
1955	58,711
Total	157,530



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ASPECTS OF CANADIAN FOREIGN POLICY

Touching briefly on the situation in the Far East and on developments in the Middle East, Mr. L.B. Pearson, Secretary of State for External Affairs, devoted the major portion of his statement in the House of Commons August 1 prior to consideration of the Estimates of the Department of External Affairs to relations between the Soviet Union and the coalition of free states in which Canada is playing a part.

There has been no substantial change in the situation in the Far East since the beginning of the year, Mr. Pearson said, nor has there been any change in Canadian policy with respect to it. He stated that the situation, particularly in and about the Formosan straits, remains potentially dangerous as long as two Chinese armies face each other only four or five miles apart, but that it has not in recent weeks or even in recent months deteriorated.

In the Middle East, where the long and bitter dispute between Israel and its Arab neighbours continues, incidents which continue on the frontiers and which are likely to continue in the present atmosphere have not, at least, exploded into war, Mr. Pearson said. A useful and constructive effort to lessen tension in that area has been made by the United Nations Secretary General, the Minister stated, and his intervention has succeeded in strengthening the truce. Mr. Pearson paid

tribute to the activities of the United Nations Truce Commission in Palestine, in which several Canadian officers are now serving, and to the objective, patient, and very efficient leadership of the Commission by Major-General E.L.M. Burns, of Canada. Mr. Pearson said that a political settlement must be made between the contending parties before there can be peace, and that in the long run such a settlement under the United Nations, rather than arms, will be the foundation of security for Israel and the Arab states.

SUEZ CANAL

Speaking of the situation that has developed in connection with the Suez Canal, the Minister said:

"In recent days a new situation--I was going to say 'a new crisis'--has developed there in connection with the Suez Canal. A sudden arbitrary move on the part of the Egyptian Government has aroused fears that the right to use this international waterway in peace and war without discrimination may be prejudiced, a right which, as Honourable Members know, is guaranteed by an international treaty. Far more than the nationalization, or, if you like, the expropriation, of the Suez Canal Company is at stake in this matter; it is the future use for all nations without

(Over)

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arbitrary or unnecessary interference of an essential international artery of trade and of communications, a waterway which was constructed by international agreement and with international co-operation and is now maintained and operated internationally.

"As Honourable Members know, steps are being taken at the moment in London, by three powers very directly and importantly affected by the Egyptian decision, to bring about a satisfactory solution to this problem, the problem created by this action of the Egyptian Government, by establishing some form of permanent international control for this international waterway, by which the legitimate rights of all countries can be protected. Until the results of this London meeting are available--and the meeting has not concluded yet--I think I should say nothing more about this matter, except possibly to express the support of our government for the principle of such international control, with the countries having the greatest interest in the operation of the canal sharing in that control, preferably, if this turns out to be practicable, under the aegis of the United Nations."

DETERRENCE NOT ENOUGH

In his comments on relations between the Soviet Union and the coalition of free states in which Canada is playing a part Mr. Pearson said that Canada feels it of utmost importance to press ahead both with arms limitations and with political settlements wherever there is any hope of reaching such a settlement with the other side. To adopt any other policy, he said, would be to accept the proposition that security rests, and must continue to rest, merely on the fear of common annihilation. What is needed, Mr. Pearson said, is a policy of mutual agreement, mutual trust, and mutual co-operation. Excerpts from Mr. Pearson's comments follow:

"...In so far as the possibility of an all-out war is concerned, I think it can be said, as it has been said on more than one occasion, that we are now reaching, if we have not already reached, a deadlock of mutual deterrence through the certainty of mutual destruction. That is in a sense, I suppose, effective but it does mean reliance by both sides on the fear brought about by thermonuclear power used for destructive purposes. Therefore national security and international peace are becoming merely the probability and the hope that we will get through any year without being blown to bits.

"At the very same time that we rely on this deterrence, and we have to rely on it, there is a frantic search going on on both sides for the intercontinental ballistic missile which will remove or certainly will minimize this mutual deterrence by the discovery of an annihilating weapon against which, if used aggressively, there may be no defence or, indeed, no warning. Therefore I do not think any of us

can get very much permanent comfort out of a security resting on a balance of terror. Indeed, in that situation there are certain advantages possessed by the Soviet Union. With its despotic government, without the restraints of public opinion, it can, if it so desires, use this situation for political blackmail in peacetime and for what have been called brush fire wars which would throw on our side the responsibility of converting these limited wars into thermonuclear ones.

"That possible situation certainly has a bearing both on our defence and on our diplomatic policies and it leads me to the conclusion that atomic defence and atomic deterrence are not enough. It also leads me to stress the importance of diplomatic defences, of political unity on our side, of economic strength, of moral purpose. These things are becoming more and more important as developments occur, but while we seek them on our side the drive to extend Soviet influence by a wide variety of means still continues.

SHIFT IN EMPHASIS

"The emphasis now in tactics and perhaps in policy has been shifted, I think, since the new leadership came into power in Moscow, from the military to the economic and the political. How much this shift represents a change of heart and how much is a revision of thinking forced upon Moscow by the H-bomb and the strength and unity of NATO, I am not prepared to say. I think that the latter factor, our strength, may have been if not the dominating at least a very important consideration in any changes that have taken place.

"But whatever the reason, the Soviet Union may now have decided to abandon for the time being at least the open and direct use of armed force for the extension of its influence lest this should lead to the outbreak of global and thermonuclear war. Yet while such a thermonuclear war is recognized by the Soviet Union, as it is by us, as a calamity of unthinkable proportions, nevertheless until such time as a condition of greater mutual trust has been established between the two worlds any weakening in the defensive capabilities of the free democracies might provide a serious temptation to the Soviet Union to revert to the use of armed force for the pursuit of policy. They certainly have the capacity for this. Their tactics may have changed but their military strength has been maintained. Indeed, their industrial strength has been greatly increased and that industrial and economic strength is now becoming an important agent of their foreign policy. The armed strength of the Soviet Union, which is now in process of being revamped and modernized, is a central fact which I suggest we cannot and must not ignore, especially when we consider our own defence plans and defence policies..."

OVERSEAS AID: From the end of the Second World War through the fiscal year 1956-57, Canada will have provided more than \$4 billion of assistance to other countries. Included in the Canadian programme are post-war reconstruction loans (made between 1945 and 1947), relief credits, contributions and subscriptions to United Nations programmes and other international financial contributions and military aid to NATO allies. Funds on an increasing scale have also been made available for capital and technical assistance to under-developed countries and relief to distressed areas.

Canadian military aid to NATO countries, including the amounts which Parliament is being asked to approve for 1956-57, totals more than \$1.4 billion. The bulk of this aid has taken the form of air crew training and equipment.

Canada has provided increasing amounts of capital and technical assistance to under-developed areas through the Colombo Plan and the United Nations and its various agencies. Since the inception of the Colombo Plan in 1950, Canada has contributed more than \$128 million. For 1956-57, the amount which Parliament is being asked to approve for the Colombo Plan has been increased by \$8 million to \$34.4 million. Some projects assisted by Canadian funds are:

- (a) An atomic reactor in India which will be available for use by all Colombo Plan countries;
- (b) 120 steam locomotives for India to help re-equip the transportation systems;
- (c) The Canada Dam in West Bengal to provide flood control to the Mayurakshi River, generate hydro-electric power and irrigate some 600,000 acres of land;
- (d) The modernization of the Bombay Transport System;
- (e) A cement plant in the Thal development in Pakistan;
- (f) Electrical equipment and engineering services for the Warsak Project near the Khyber Pass in Pakistan which will provide 160,000 k.w. of installed electric power capacity for use in West Pakistan;
- (g) Aerial surveys of the resources of Pakistan, India and Ceylon; A fisheries research and development scheme in Ceylon which will materially assist the development of the fishing industry and thereby provide a more balanced diet for the population.

Canada strongly supports the use of the International Bank for reconstruction and Development to augment the supply of funds for investment in the under-developed areas. To this end, Canada has made its entire 18 per cent capital subscriptions (approximately \$60 million) available for lending and has authorized the Bank to obtain additional capi-

tal by the sale of its bonds in Canada to the extent of \$48.7 million.

To encourage the investment of private funds in under-developed areas Canada supported the formation of the International Finance Corporation and purchased 3,600 shares of stock at a cost of \$3.6 million. Furthermore, there are no restrictions on the access of foreign borrowers to Canadian capital markets, and Canadian tax laws do not impede investment abroad, e.g., Canadian investors receive credits against their Canadian tax for income tax paid to foreign governments and Canadian corporations are exempt from tax on dividends they receive from foreign investments in which they own 25 per cent or more of the voting stock.

To help under-developed countries train their citizens to make the most effective use of all forms of capital aid and their own resources Canada has contributed more than \$8.9 million to the United Nations Technical Assistance Programme. Canadian contributions to this programme have doubled since 1953. The contributions which Parliament will be asked to approve for 1956 total \$1.8 million.

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EDUCATIONAL GRANTS: Institutions of learning in all parts of Canada will benefit from educational grants totalling \$2,500,000 announced September 8 by the International Nickel Company of Canada. To be paid out during the next five years, the grants will be used for expanding educational facilities, scholarships, and special projects.

The official announcement by the Company said it was essential for Canada's growth and the progress of industries to strengthen and expand the higher education programme and to stimulate and promote adequately trained technical personnel.

Of the total money granted, \$2 million will be used to strengthen and expand education programmes and \$500,000 to provide scholarships, fellowships and special projects, including assistance to teachers of science and mathematics and guidance counsellors in preparatory and high schools.

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MOBILE HOSPITALS: F.F. Worthington, Canada's Federal Civil Defence Co-ordinator, recently announced that Federal Civil Defence authorities plan to spend \$10 million on the purchase of five hundred 200-bed mobile emergency hospitals.

The mobile hospitals will be spread across the country, but will be placed particularly in those areas where at present no hospital facilities exist. An entire 200-bed unit can be carried on a tractor-trailer and can be set up within a matter of hours. Thus these hospitals would be of the utmost value in the event of attack in war and could prove of great value in natural disasters such as floods, fires, and other calamities.

STUDYING CANADIAN METHODS: The production and handling of Canadian wheat and other grains will be studied this month by representatives of the wheat and grain industry of Belgium, the Netherlands, and Norway, including government officials concerned with this industry, who have accepted an invitation to visit Canada extended by the Canadian Wheat Board.

The Belgian party comprises three members of the grain import trade and one government official, that from the Netherlands consists of two representatives of the trade and two government officials, and the Norwegian group will comprise two members of the State Grain Corporation.

The visitors will travel from coast to coast in Canada, but their principal points of call will be Winnipeg and other centres in the Prairie Provinces. They will visit Canadian farms, inspect grain handling facilities, study the inspection and grading of Canadian wheat, visit the cereal laboratory of the Board of Grain Commissioners for Canada, and other scientific laboratories. Canadian merchandising methods will be reviewed by each of the visiting delegations. During their three and half weeks in Canada, they will also inspect port facilities at Montreal, Vancouver, and Churchill.

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EXPORT GAINS: Increases in shipments to most main markets and in a wide number of commodity items, led by wheat, contributed to a rise of 11.7 per cent in the value of Canada's domestic exports to \$2,270,100,000 in the first six months this year from \$2,031,900,000 in the same period last year. Prices of export commodities averaged slightly more than 3 per cent higher in the period than in 1955, most of the increase reflecting a rise of about 8 per cent in volume.

Shipments in the month of June showed closely the same advance as in the previous five months with an increase of slightly more than 12 per cent in value to \$423,800,000 from \$377,700,000 a year earlier and with general gains by markets and geographical areas.

Exports were higher in value in the half-year and in June to the United States, Europe, Latin America, the remaining foreign countries as a whole, and to Commonwealth countries other than the United Kingdom. Sales were down to the United Kingdom in the six months, but showed a small rise in June. Biggest increase among principal commodities in the half-year, and also month, was in wheat. Large gains in the six months were recorded also for petroleum, iron ore, nickel, copper and products, asbestos, newsprint paper, woodpulp, industrial and business machinery, automobiles and parts, and aircraft and parts.

About three-fifths of the half-year total gain was in domestic exports to the United States which rose nearly 12 per cent to \$1,-

345,374,000 from \$1,203,128,000 last year. Sales to that country were higher for all the main commodity groups except animals and animal products, which was down slightly. Largest increases were in the non-metallic minerals, wood and paper and non-ferrous metals groups. In contrast with the large earlier gains, exports in June were only slightly higher at \$228,759,000 compared to \$228,126,000 last year.

Half-year shipments to the United Kingdom declined to \$368,961,000 from \$384,625,000 a year ago, with smaller values for all main commodity groups except iron and its products, non-metallic minerals and non-ferrous metals. Generally the gains or losses were of moderate size. In June, exports were up slightly at \$65,363,000 against \$65,263,000. Shipments to other Commonwealth countries rose in the month to \$27,176,000 from \$18,433,000 and in the six months to \$127,715,000 from \$111,938,000, with sharpest cumulative gains in exports to Jamaica, the Union of South Africa, India and Pakistan.

Both half-year and June sales to European countries rose substantially, the former to \$255,840,000 from \$170,612,000 and the latter to \$68,283,000 from \$37,459,000. There were increases in both periods to most of the main markets, led by a rise to the Federal Republic of Germany to \$59,629,000 in the half-year from \$39,108,000 with half the gain in June.

Sales to Latin American countries rose in June to \$15,766,000 from \$13,154,000 last year to raise the half-year total clearly above last year's to \$80,566,000 compared to \$77,785,000. Gains in June were scattered, the largest being to Columbia and Mexico, while in the half-year the larger increases were to Mexico, Peru and Venezuela. Shipments to the remaining foreign countries totalled \$81,731,000 in the six months compared to \$75,913,000, with a rise in June to \$16,785,000 from \$1,830,000.

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RCAF OVERSEAS: Seventy Canadian school teachers will go overseas this month to staff the schools for children of RCAF servicemen on duty at Canadian air bases in France and Germany.

The teachers, who proceed overseas on a two-year engagement, have been obtained through co-operation of the provincial education authorities in Canada and come from all parts of the country. They will replace teachers now on the Continent whose two-year terms have expired.

At present the RCAF has 109 teachers in France and Germany, responsible for approximately 2,000 children from kindergarten to Grade 13 level. Throughout Canada and Europe the RCAF employs 524 teachers to handle the job of educating RCAF children wherever normal school facilities are not available.

FOREIGN TRADE SERVICE: Among topics dealt with by the Rt. Hon. C.D. Howe, Minister of Trade and Commerce, in a statement in the House of Commons August 9 prior to the introduction of the estimates of his department for 1956-57 were the efforts which Canada has made and has participated in to maintain markets abroad and to provide new opportunities for greater trade.

Speaking of the Canadian Foreign Trade Service, the Minister said that during the past year a new office was opened in Salisbury, Southern Rhodesia, bringing to fifty-four the number of trade offices located at strategic centres abroad, as against a total of thirty-one only ten years ago, and that in 1955 the one hundred and twelve Trade Commissioners who manned these posts played a direct part in bringing to Canada more than \$100 million worth of new business.

Pointing out that the Foreign Trade Service carries out a continuous review of world markets to determine where Canadian trade interests would benefit through having a resident Trade Commissioner, Mr. Howe said that this year consideration is being given to the opening of new trade offices in Hamburg, Colombo, Los Angeles, and Teheran.

Since the decision was made to bring the Canadian International Trade Fair to an end, greater emphasis has been placed on participation in overseas trade fairs, Mr. Howe said. In the course of the current year, the Department of Trade and Commerce has prepared major exhibits for ten international trade fairs abroad, he reported. The fairs at Utrecht, Osaka, Milan, Brussels and Hannover have already taken place. Later this year, Canada will be exhibiting at fairs in Lausanne, Manchester, London, Paris and Bogota. Smaller exhibits were arranged at a nutrition fair in Havana and a food show in Los Angeles, Mr. Howe said, and Canada will also be represented in an industry show in Chicago in October.

In addition to participation at these international trade fairs and industry shows, Canada has continued to operate the Canadian Showroom in Rockefeller Centre in New York, Mr. Howe stated. Before the year is out, the Minister said, Rockefeller Centre displays will have included building products, hardware and housewares, winter sporting goods, luggage and handbags, glassware and pottery, church furnishings, and foodstuffs.

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ASBESTOS OUTPUT: Canadian producers' shipments of asbestos during 1955 amounted to 1,063,802 tons valued at \$96,191,317. Both the quantity and value were above those of any previous year, according to a Dominion Bureau of Statistics announcement.

Exports of asbestos and asbestos products last year were valued at \$97,705,882 as compared to \$83,868,863 in 1954, and imports at \$4,053,832 compared to \$3,539,132.

SEEING CANADA: Seventeen students and directing staff of the United Kingdom's Imperial Defence College are now making a month-long tour of Canada and the United States.

The party arrived at Montreal August 2 and proceeded to Ottawa, where they heard a series of lectures. The speakers were Mr. Ross Martin, Assistant Secretary to the Cabinet, speaking on "Canadian Government"; Mr. Ivor Bowen, director of the Joint Intelligence Bureau, Defence Research Board, "Canadian Geography and Economics", and Mr. R.M. Macdonnell, acting Under-Secretary of State for External Affairs, "Canada's Foreign Policy". General Charles Foulkes, Chairman, Chiefs of Staff, was the final speaker.

Their itinerary includes visits to the St. Lawrence Seaway and Power project, industrial and defence establishments at Toronto, St. Catharines, Niagara Falls, Sudbury, Port Arthur, Calgary, Vancouver, Whitehorse and Fort Churchill, a week's tour in the United States, and trips to Halifax, Sept Iles, Arvida, Quebec City and Montreal.

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ONTARIO GOLD: Increases of 4.1 per cent in gold production and 5.48 per cent in total value have been reported for the operating gold mines in Ontario during the first six months of 1956.

During the period under review, 31 operating mines milled 4,655,236 tons of ore containing 1,272,673 ounces of gold and 190,417 ounces of silver, with a total value of \$44,499,865. In the corresponding period of 1955, 33 gold mines produced 1,222,433 ounces of gold and 195,917 ounces of silver having a total value of \$42,188,349 from 4,830,831 tons of ore milled.

During June of this year the mines milled 743,729 tons of ore which had a content of 211,186 ounces of gold, and 32,547 ounces of silver valued at \$7,309,072. This is an increase of 2.54 per cent in gold ounces and 2.62 per cent in total value over production in June of 1955.

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WELCOME GUESTS: The number of visitors to Canada and their expenditures in this country reached new records last year, according to estimates by the Dominion Bureau of Statistics presented in the annual report on travel between Canada and other countries.

Expenditures in Canada by all visitors last year is placed at \$328,000,000, a rise of \$23,000,000 or over 7 per cent from the revised estimate of \$305,000,000 for 1954 and an all-time peak. Visitors from the United States spent an estimated \$303,000,000 in Canada last year, an increase of about \$20,000,000 or 7 per cent above their expenditures in 1954 and 1953 when there was little change. Receipts from the visits of residents of overseas countries to Canada rose to about \$25,000,000 from \$22,000,000.

ASPECTS OF CANADIAN FOREIGN POLICY

(Continued from p. 2)

MUST REMAIN ON GUARD

"Therefore I think that all members will agree with me that we in the Western world must remain on guard. But while all this is true, and it certainly is true, I think it is also true that since the death of Stalin the Soviet Government and the Soviet regime have begun to eliminate some of the more objectionable features of both their foreign and domestic policies. There have been relaxations at home, and as a result I believe that certain internal pressures may be developing in Russia which could have a restraining influence on the activities of the Soviet leaders. These Russian leaders may have started a train of events which, under normal conditions, should be welcome to the bulk of their population with whom the dynamism of revolution has probably run down. That process may become increasingly difficult to reverse at home if it is permitted to gain momentum there, but it is certainly not likely to lead, as we sometimes hopefully think, to parliamentary democracy or to any kind of democracy as we understand it because that is impossible in a communist state and Russia under its new leaders remains determinedly communist.

"Also it is too soon to say, I think, that irresistible forces of freedom have been set in motion and that this means a great triumph for the Western world. Indeed, these relaxations and their results, both at home and among their satellite communities, may frighten the new rulers who may try to reverse the trend, and out of this effort a new Stalin, Khrushchev or somebody else may arise as the old Stalin arose out of the ruins of the new economic policy in the twenties. This accession of one man to power is consistent both with the Slav tradition of autocratic rule and the communist doctrine of what they call democratic centralism.

"So we would be wise, I think, to welcome and exploit any changes that seem for the better in both domestic and foreign policies of the Soviet Union without exaggerating their extent or being bedazzled or deceived by them. At the same time, we must not be too tightly bound by the analysis which we made of Soviet policy under the Stalin regime, nor must we leave the initiative in the present period always to the new Soviet leaders, and they are very adept, indeed, in taking advantage of the initiative.

"But one thing we can be sure of, that any changes of this character, and there certainly have been some, are not the result of weakness or lack of confidence of the new rulers in the future of the Soviet system. They are certain-

ly as fanatical on that score as ever Stalin or his contemporaries were. Let us not be deceived by the illusion--I think we are in the process of tearing it away--that the Soviets are a backward people, 150 million feudal, downtrodden peasants in an oxcart civilization because, as we know, nothing could be further from the truth. We are beginning to appreciate the fact as more of us visit the Soviet Union. It is true that in that country individuals have not the luxuries which we consider to be necessities nor often even the necessities which we take as a matter of course. But the regime there has converted the poverty of the people into the power of the state. On individual deprivation they have built great national strength and great national confidence and pride....

"Certainly, Mr. Chairman, this strength and power of the Soviet under its new leaders has not been affected, as I see it, by the de-Stalinization of the regime. In fact, while Stalin has been repudiated, the essentials of Stalinism remain. We know what they are: one party-despotic government; control of every expression of free thought and free action by that government; induced fear and hostility to every form of non-communist rule, especially through education; subordination of the individual to the ruling communist group; unqualified belief in the ultimate overthrow of free democracy by communism; and refusal of any form of political freedom to subject or satellite peoples who are incorporated into the Russian political system for power political purposes, except on the basis of complete acceptance of the rule of the communist junta in Moscow itself.

A NEW COLONIALISM

"It may be of developing significance--I hope it is--that there have been signs of change in this latter situation in the satellite border states. But there is no sign of change in respect of the absorption of subject peoples like the Ukrainians and the Balts inside the communist centralized empire. While they and other subject peoples remain under the heel of Moscow, we certainly have the right to reject any protestations by the leaders in Moscow of their belief in self-government or the rights of peoples. Indeed, this Russian system is a new colonialism which is far more terrible, far more reactionary and far more widespread than was any form of colonial rule in history. Moreover, it is practised by men who have managed to get too many other men to accept them as champions of national freedom against the old colonialism which is now fast disappearing. Their claims to such a role in twentieth century development of national freedom represent one of the greatest perversions in history.

"Then finally, Stalinism meant the use of communist parties in non-communist states as agents of Moscow policies. These parties

I think have been shaken by the overthrow of their great god Stalin; but they are recovering from this shock and they are now beginning to rally with traditional submission--as so often in the past--to the new dictates from Moscow and to become its agents as before. Their attitude to this change that has taken place will be a conclusive test whether they have any claims to national allegiance or national status at all or whether they are merely, as they were formerly, the tools of Moscow for any purpose that Moscow may decide to follow.

A VITAL QUESTION

"Hence a question which has exercised us in the past is, I think, exercising us even more at the present time. The question to which I refer is this. Have the Moscow communist leaders abandoned the cult not only of personality, as they claim, but the cult of international revolution, of the violent overthrow of our system? They, of course, insist that there is no such cult, no such design, or no such danger. Khrushchev, Shepilov and the others, it is true, have admitted--indeed they have insisted--that the capitalist and the socialist-communist systems cannot be reconciled, that one or the other must go; and they are confident that it will not be the communist system that will go. But, they add, this can be done peacefully....The fact is, as we all know, that no single country in history has become communist by the declared will of its people. In every case force was used and force was decisive. Mr. Khrushchev really let the cat out of the bag last February when he wrote--and some of his colleagues repeated it at the last party congress--as follows:

'Of course, in those countries where capitalism is still strong, where it has in its hands an enormous military-police apparatus, there the serious opposition of the reactionary forces is inevitable. There the transition to socialism will take place in conditions of sharp class, revolutionary struggle.'

"A question arising out of this which concerns us in this country and in other countries, is this. Does this mean that Moscow is still willing and anxious to assist any and every foreign communist party in its revolutionary plans, in its determination to overthrow free parliamentary government? That, Mr. Chairman, seems to me to be a vital question, the test of Soviet sincerity. It is for them to demonstrate that they are not concerned now with international revolution. I do not expect--nor can any of us--that these people in Moscow and elsewhere should abandon their revolutionary slogans. That probably would be too much to hope for. But we can expect, and indeed we can insist as a test of good faith, that they show that in fact they are keeping out of our domestic affairs. We have no assurance on this score in this country or in

other countries. Nor have we any reason to believe, changing to another aspect of Soviet policy, that they have abandoned or weakened in any respect what has been for some years now the primary objective of Soviet policy, the weakening and destruction of the North Atlantic Treaty Organization. NATO is still a major target for Soviet attack; that is still the greatest tribute to its value and strength. It certainly should counsel us to preserve that strength.

REASSESSMENT NEEDED

"So far as the military side of this question is concerned it may well be, as has been indicated, that new developments both political and strategic may make a reassessment of NATO's plans and NATO's defence policies desirable. It may even make desirable some reassessment of plans and strategy to meet new circumstances. But that, I suggest, must not imply any weakening of NATO's deterrent and defensive forces.

"Moreover, Mr. Chairman, I think it is important, indeed I think it is essential, that this reassessment and any changes which may result from it should be made inside the North Atlantic Treaty Organization and should be the result of collective discussion and collective agreement. Unilateral decisions, without such discussion or agreement, would weaken and indeed might even destroy NATO. We must then work together as members of this coalition if unity and strength are to be preserved. That is the very essence of the NATO concept, and without it NATO is not likely to last very long. Yet, this kind of close and continuous co-operation may be more difficult now in NATO than it has been, now that the fear of direct all-out military aggression against Western Europe seems to have lessened. That is one of the dangers confronting us. It is also, Mr. Chairman, the reason why the non-military aspects of co-operation are becoming more and more important. Indeed that form of co-operation, and we are beginning I think to recognize this more and more, is an important aspect of collective defence in the new situation.

"I hope that the Committee of Three which has been set up by NATO will be able to make some recommendations in this field which will strengthen this side of NATO. This committee hopes to be able to finish its work and make its report some time in October.

"But while...NATO is important and is essential to our security and the development of the Atlantic community, the United Nations, with all its disappointments and its weaknesses as well as with all its accomplishments and its strengths, remains the basis of our general international policy. One of the most important things to be discussed through the United Nations now is, of course, disarmament. As members of the committee know, the sub-committee of the United Nations committee on

disarmament of which Canada has for some years now been a member, met in London last Spring....

SIX BASIC PRINCIPLES

"At the meeting comprehensive agreement was not possible, and therefore an effort was made to bring about a more limited agreement as the first stage to making a more comprehensive agreement. The more limited agreement would have dealt primarily with conventional forces, but there was also a provision dealing with nuclear tests. But agreement on that was also not possible.... In July the full committee met and at this meeting, at which Canada was represented by my colleague the Minister of National Health and Welfare, the four western members of the sub-committee introduced a resolution reaffirming the six basic principles which they accepted for a disarmament convention. I think it is important, in view of the interest in this matter, that these six basic principles be put on the record. I believe they have been found acceptable by a great many other countries.

They are:

1. A disarmament programme should proceed by stages. Progress from one stage to another must depend upon the satisfactory execution of the preceding stage and upon the development of confidence through the settlement of major political problems.

2. The programme should begin, under effective international control, with significant reductions in armed forces to such levels as are feasible. There should be corresponding reductions in conventional armaments and in military expenditures. Further reductions would be carried out as world conditions improved.

3. The programme should provide that, at an appropriate stage and under proper safeguards, the build-up of stockpiles of nuclear weapons would be stopped and all future production of nuclear material would be devoted to peaceful uses. There would also be a limitation, before that took place, of nuclear tests.

4. The programme should provide for a strong control organization with inspection rights, including aerial reconnaissance, operating from the outset and developing in parallel with the disarmament measure.

5. Preliminary demonstrations of inspection methods on a limited scale would help to develop an effective control system and could bring nearer a general agreement on a disarmament programme.

6. Finally, there should be provision made for the suspension of the programme, in whole or in part, if a major state failed to carry out its obligation or if a threat of peace under Chapter VII of the United Nations charter should occur.

"Well that, Mr. Chairman, is the position taken by the West at the recent meeting. I emphasize that in that position, which we have supported, even a partial agreement must contain some nuclear components. The representative of the United Kingdom at this committee in New York went even farther and the Prime Minister of the United Kingdom repeated in essence the other day in the House of Commons what Mr. Nutting said on this point in New York. Mr. Nutting said:

'If limitation of nuclear test explosions is not possible under a disarmament agreement, we are prepared to try other methods, without delay, and without waiting for agreement on a comprehensive disarmament programme.'

THE OBJECTIVE

"This means that while the abolition of tests would be part of a broader agreement, the limitation of tests could begin independent of the achievement of any such broader agreement. I can say, Mr. Chairman, that we warmly support that position taken by the United Kingdom. We feel that it is of the most vital importance to press ahead both with arms limitations and with political settlements wherever there is any hope of reaching such a settlement with the other side. To adopt any other policy would be to accept the proposition that security rests, and must continue to rest, merely on the fear of common annihilation. That policy--some people call it realism, but I think it is realism based on despair--is not a policy which I am sure will command itself to the members of this Committee, or indeed to the people of Canada. A substitute for that policy, which may be essential at the present time for the avoidance of war, something which is even more permanent and in the long run more satisfactory, would be a policy of mutual agreement, mutual trust and mutual co-operation. I hope that in the effort to reach that objective the Canadian Government will play a good part, and I am quite sure that if it succeeds in playing such a part it will have the support not only of all Members of this House but of the people of Canada."



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EQUAL PAY FOR EQUAL WORK

FIRST READING: A bill respecting equal pay for female employees for identical or substantially identical duties in work controlled by federal labour laws was given first reading on July 30 in Committee of the House of Commons.

Introducing the Government resolution on the subject, the Minister of Labour, the Honourable Milton F. Gregg, V.C., pointed out that in recent years, especially during and since the last war, an increasing number of women have joined the Canadian labour force and that their record indicates clearly that women's work is not inferior to the work of men. This fact, he said, had drawn attention to the relationship of the earnings of men as compared with those of women doing the same work.

The Minister said that the Canadian Government had for quite a long time favoured the principle of equal pay, and that salaries paid to the classified Civil Service of Canada have been determined by the content of the job irrespective of sex. In addition, he said, in the case of prevailing rate employees across the country, there has been the practice of setting the rate for the particular job or of setting the wage classification whether the work has been done by a man or woman.

It was quite another matter, however, Mr. Gregg stated, as to whether or not legislation was desirable dealing with the rate of pay of women in private business or private industry

that comes under federal labour laws or under federal jurisdiction. He pointed out that even in so highly organized a country as the United Kingdom there is as yet no legislation dealing fully with the question of equal pay, even in the public service, and that so far equal pay legislation has not been considered appropriate to the system of private industry. In the United States, Mr. Gregg said, Congress has not passed legislation covering women in the federal field although seventeen states have put into force legislation along this line and although sundry resolutions and private bills have been presented before one or the other of the Houses of Congress.

GROUPS CONSULTED

Continuing his introductory statement, Mr. Gregg said:

"Nevertheless this morning I propose that we initiate federal action in Canada. Last year and previously I promised the House that we would give consideration to the matter, and that we would consult with those organizations especially interested in the application of that principle. We have done that. We have done that quite fully. As a result, we have come to the conclusion that legislative proposals especially adapted to the nature of employment under federal jurisdiction should now be recommended to Parliament. I feel sure that it can be administered. In view of the past record or the past experience that I have had of the co-operation of employers in con-

(Over)

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nection with other federal legislation administered by my department, I am confident that those employers will voluntarily bring their practices into compliance with the spirit of this proposed legislation.

"This resolution forecasts a measure designed primarily to promote equal pay for women. In the measure that will come before us after the resolution I do not think we should try to be in any sense legalistic perfectionists, but rather that we should try to provide legislation that is simple, that we are quite sure will work and that will promote the object in view. Then, after it is under way, experience only will show us where we should cross the t's and dot the i's.

"I want to emphasize the importance of a national standard of equal pay for women on two counts. The first is as evidence of recognition of the important part that women have to play and are playing in our Canadian economy. The second - and this is a very important one - is the encouragement of them to take an even larger share in the responsibility for Canada's rapid growth.

"At present there are about a million and a quarter women in our labour force in Canada this mid-summer; that is the total in our entire labour force, in all the activities, whether they come under federal or provincial jurisdiction. Of that number, approximately 73,000 are employed in activities that are under the federal jurisdiction. And I am quite sure that our economy, in the buoyant state in which it is at the present time, needs more of these women who feel that they can come into the labour force. We need them to help out in Canada's development, and for those who are in the labour force and who may come into it I am very glad to propose this resolution as a recognition of the value of their contribution to the growth of Canada."

* * * *

LARGE SURPLUS: A surplus of \$220.4 million for the first quarter of the current fiscal year has been reported by the Honourable Walter Harris, Minister of Finance. Budgetary revenues for the three-month period totalled \$1,153 million, as against \$962.2 million for the first quarter of 1955-56, and expenditures were \$933.1 million, compared with expenditures of \$892.7 million for the same period a year ago. The surplus for the corresponding period last year was \$69.5 million.

Mr. Harris pointed out that budgetary revenues for the month of June were \$373 million, or \$22.1 million more than in June a year ago, expenditures were \$426.8 million or \$8.8 million more than last year, and there was a deficit for the month of \$53.8 million compared with a deficit of \$67.1 million for June, 1955.

Referring to the old age security fund, the Minister of Finance reported that operations of this fund, which are not included in budgetary transactions, resulted in a deficit of

\$4.5 million for June, 1956, and a cumulative deficit of \$6.2 million to June 30. There was a cumulative deficit of \$14 million for the three months to June 30 last year. Temporary loans under the terms of the Old Age Security Act covered these deficits.

* * * *

INCOME SOARS: A new high record total for labour income and a drop in claims for unemployment insurance have been announced by the Dominion Bureau of Statistics.

Moneys received by Canadian paid workers during May totalled \$1,166 million, as against \$1,125 million in the preceding months and \$1,049 million in the corresponding month last year, bringing to \$5,551 million the cumulative total for the January-May period, 9.6 per cent larger than last year's \$5,029 million.

Both payrolls and average weekly wages and salaries reached all-time peaks at May 1. The employment index (1949 equals 100) rose to 115.2 from 113.5 a month earlier and 107.4 a year ago. The previous May 1 high was 110.9 in 1953. The payrolls index, on the same basis, climbed to 172.1, up 212 per cent from 168.1 a month earlier and slightly above the previous peak of 171.4 at November 1, 1955. Average weekly wages and salaries advanced to \$63.90 from \$63.37 at April 1 and \$60.96 a year ago.

Initial and renewal claims for unemployment insurance benefits during June were down 34 per cent to 55,212 from 84,099 a month earlier and 39 per cent below last year's June total of 90,380 claims.

* * * *

12-MILE LIMIT: International recognition will be sought on an extension of Canada's territorial waters to 12 miles offshore, instead of three miles, as at present, it was announced by Prime Minister St. Laurent in the House of Commons on July 30.

Mr. St. Laurent said Canada would endeavour to have the 12-mile limit accepted at the next meeting of the United Nations General Assembly, at which the report of an international commission on the subject of territorial waters will be discussed. The Prime Minister said that the historic fishing rights of other nations within these limits would have to be recognized by Canada.

Canada is trying to arrange matters so that it can make a declaration on territorial waters without having it contested by adjoining countries, the Prime Minister said, and there would be little use of Canada making a declaration of its waters unless it received recognition from others that they would respect those territorial limits.

Opposition Members of Parliament had questioned the Prime Minister on the subject during study of a bill to write into Canada's Shipping Act the terms of an international agreement which, when put into effect, would prohibit ships from dumping oil within 50 miles of coast lines.

ALL-CANADIAN: Designed and built in Canada and fully fitted out with Canadian-built equipment, the destroyer escort HMCS "Assiniboine" will be commissioned on August 16 at Sorel, Quebec. The "Assiniboine" will follow into service the first ship of the class, the "St. Laurent", which was commissioned last October.

Twelve additional anti-submarine destroyer escorts are in various stages of construction. Two will be commissioned late this year, with the others scheduled for completion during the next two years.

The "Assiniboine" sets a precedent for her class in being the first in the programme to be fully fitted out with Canadian-built equipment. Although the class is of all-Canadian design, the "St. Laurent" contained some equipment manufactured outside of this country. Canadian industry is now geared to produce all equipment for the ships, and the "Assiniboine" represents the first result.

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FLYING HIGH: Substantial increases in all phases of traffic - passengers, freight, express and mail - have been recorded for the first six months of 1956 by Trans-Canada Air Lines, whose officials report the heaviest volume of traffic in TCA history.

Close to 1,000,000 passengers were carried on scheduled TCA services from January 1 to June 30 this year, more than the number of passengers carried for the whole of 1950 and a 29 per cent increase over last year. A total of 542,156,249 passenger miles was flown, up by 25 per cent over last year.

An increase of 19 per cent over the first half of 1955 in freight traffic was recorded, with nearly 10,000,000 pounds of freight carried and 5,498,200 ton miles flown. Mailton miles were higher by 14 per cent, and more than 3,000,000 pounds of air express were carried.

* * * *

NEW "ATOM SMASHER": Important advances in fundamental physics research will be made possible with the installation at Chalk River, Ontario, early in 1958 of a new type of particle accelerator, or "atom smasher". Announcing details of the new project, Atomic Energy of Canada Limited said that the 10-million volt machine, to be known as the Tandem Accelerator, will be developed and constructed by High Voltage Engineering Corporation, Cambridge, Massachusetts.

With the installation of the new "atom smasher" it will be possible to carry out research programmes on heavy nuclei with an accuracy and efficiency never before possible. Chalk River physicists will be able to study in continuous detail the nuclear energy levels of heavy elements which they know only in patches today. With present accelerators in use at Chalk River, only certain of the light atomic nuclei may be studied.

ARCTIC CONVOY: Headed for northern waters, Canada's most powerful ice-breaker, CGS "d'Iberville", shepherded a convoy consisting of a freighter and a tanker out of Quebec City Harbour on July 31 on a voyage to Resolute Bay, Cornwallis Island. Off Lancaster Sound, the "d'Iberville" will be joined by another ice-breaker, CGS "N.B. McLean", and all four vessels will also rendezvous with the Arctic supply ship CGS "C.D. Howe".

Most of the cargo and supplies carried will be landed at Resolute Bay, and will be used at the Arctic weather stations operated jointly by Canada and the United States at Resolute, Isaachsen, Mould Bay, Alert, and Eureka.

The "d'Iberville" is carrying 350 tons of cargo destined for Eureka. Aboard are 12 Government officials proceeding to Arctic stations for duty and some 50 Montreal stevedores who will assist in the unloading of the convoy at Resolute Bay. The cargo ship SS "Federal Voyager" carries 2,550 tons of supplies and the tanker V/V "Green Ranger" some 3,095 tons of fuel, mostly for heating and operating these northern stations.

After escorting the convoy to Resolute Bay and turning the stevedore crew over to the "C.D. Howe", the "d'Iberville" will proceed to Eureka on the west coast of Ellesmere Island, located at 80 degrees 13 feet north and 86 degrees 11 feet west some 750 miles from the North Pole. In 1955, Hell's Gate and Eureka Sound were choked with ice and it was not possible for the "d'Iberville" to crash her way through. The ice-breaker however, made Eureka in the 1954 re-supply operation.

Long-distance reconnaissance RCAF aircraft from Resolute Bay, assisted by the "d'Iberville's" two helicopters, will help guide the ice-breaker on her lone dash to Eureka. The helicopters are used for short-range observations to search for leads through the ice and for carrying mail and passengers from ship to shore when required. If successful this year, the "d'Iberville" will land her cargo and supplies at the weather station then turn south for her home port of Quebec.

Landing operations at Resolute are expected to take some 10 days and will involve a round-the-clock operation. Discharge of the cargo from ship to landing craft will be carried out by ship personnel, and the 50 stevedores will be engaged in discharging landing craft at the beach head and transporting cargo to the warehouses.

To enable landing and storing operations at Resolute to be done expeditiously and efficiently, special equipment is being carried aboard the convoy ships. These include self-propelled landing scows, three 30-ton dumb barges, five 10-ton self-propelled barges, a tug and three powered surf boats. Equipment to be used to unload landing craft and other floating equipment at the beaches and transporting supplies to the warehouses include two cranes, four diesel fork lift trucks, a crane-mobile, four trucks and eight 37-foot trailers.

A pipeline will be rigged from the "Green Ranger" to the shore tanks.

At the completion of unloading operations at Resolute, the "C.D. Howe" will proceed to Craig Harbour at the southern tip of Ellesmere Island where supplies for the RCMP post will be landed. On her southward trip, the "C.D. Howe" will call at Pond Inlet, Cape Christian, Pangnirtung, Frobisher Bay and Port Burwell. The ice-breaker "N.B. McLean" will accompany the cargo vessel "Federal Voyager" and the tanker "Green Ranger" as far as open water and will then proceed back to its regular duties in patrolling Hudson Bay and the Hudson Strait until the close of navigation. During the "N.B. McLean's" operations in the far north, the Hudson Strait patrol is being carried out by the supply ship CGS "Edward Cornwallis".

* * * *

AWARD CEREMONY: New impetus to cultural development in Canada was provided by the third annual Tyrone Guthrie Award ceremony held at the Stratford Shakespearean Festival August 2 at which four theatre scholarships were presented by His Excellency the Right Honourable Vincent Massey, C.H., Governor General of Canada.

All valued at \$750, the scholarships went to William Shatner, of Montreal, and Robin Gammell, of Port Credit, for furthering their knowledge and experience in acting, to David Gardner, of Toronto, for theatrical research abroad, and to Marie Day, of Toronto, for the study of theatrical design.

A further grant has been set aside by the Awards Committee to underwrite the expense of bringing in instructors in voice and mime next season for coaching members of the 1957 Festival company who wish further specialized training.

Established in 1953 in honour of the original director of the Festival for the purpose of promoting Canadian theatre, the Award is financed by a benefit performance during the Festival season and through private donations.

* * * *

RECORDS SET: Showing growth in a widening range of industrial materials, Canadian exports set new levels during 1955. The Review of Foreign Trade, released July 31 by the Dominion Bureau of Statistics, showed that exports reached a value of \$4,351,300,000 and were only 0.1 per cent below the record level of 1952. Imports stood at \$4,712,400,000, and exceeded by 7.5 per cent the previous peak of 1953. The import balance of \$361,100,000 amounted to less than 8 per cent of imports and to 4 per cent of total trade.

Both exports and imports were substantially higher in value than in 1954, exports by 10 per cent and imports by 15 per cent. These gains resulted predominantly from a larger volume of trade rather than from an advance in

the average price level, and new peaks were achieved for exports and imports in constant dollar terms.

External and internal stimuli contributed to the rise of Canadian foreign trade from 1954 levels. The sharp recovery of business activity in the United States and the continued prosperity in the United Kingdom, most other Commonwealth countries, and in Western Europe were the source of strong demand for Canadian products. The upswing in exports was in turn a contributory factor in the upward impetus of the Canadian economy which characterized the year 1955. The demands of industrial expansion, especially in connection with resource development projects, and those generated by the generally high levels of employment and incomes resulted in a steadily rising rate of purchase from abroad. Approximately two-thirds of the increase in imports over 1954 was in machinery, plant and transport equipment, and raw materials for Canadian industry.

The record level of Canada's foreign trade in 1955 was achieved in the context of a new peak in world trade, of which Canada accounted for about 6 per cent. Canada remained the world's fourth leading trading nation and was only surpassed in this respect by the United States, the United Kingdom, and Germany which had by 1954 regained her traditional prewar position. Also, the value of Canada's per capita trade was again second only to that of New Zealand.

The United States was as usual Canada's leading trading partner in 1955, with a 60 per cent share of the Canadian export total and a 73 per cent share of total Canadian imports. Both Canadian exports to and imports from the United States reached record levels. The largest export gains were in forest products and minerals, particularly in iron ore, planks and boards, petroleum, woodpulp, newsprint, nickel and copper, but there were also marked advances in farm implements and certain primary and semi-finished steel items.

The United Kingdom was again Canada's second most important trading partner, with an almost 18 per cent share of the Canadian export total and 8.5 per cent of total Canadian imports. Exports to the United Kingdom increased considerably more than imports from that country. Canadian grains, non-ferrous metals and forest products enjoyed a strong demand in the United Kingdom in 1955, particularly large value gains being registered in wheat and aluminum.

There was an increase also in total trade with each of the other principal trading areas, namely other Commonwealth countries, Europe, Latin America, and all the remaining countries taken together. Exports to the Commonwealth and to Europe went up markedly, especially to the Union of South Africa, Australia, New Zealand, India, France, and the Netherlands.



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JUNE EMPLOYMENT NEW ALL-TIME HIGH

UNEMPLOYMENT DROP: Employment continued to expand at a rapid pace during June and was close to an all-time record by the week ended June 23, according to the monthly joint statement by the Department of Labour and the Dominion Bureau of Statistics. Unemployment declined sharply and at the end of the month was below the June average of the last five years.

At June 23 the number of persons with jobs was estimated at 5,647,000, some 148,000 higher than in May and 189,000 higher than in June 1955. The number of persons without jobs and seeking work was 117,000 in June, 48,000 lower than in May and 40,000 lower than in June 1955. The number registered for employment at National Employment Service offices showed similar changes.

All of the increase from mid-May to mid-June occurred in non-farm industries where employment increased by an estimated 161,000 to a level 266,000 above that of June 1955. Farm employment declined slightly during the month and was some 77,000 lower than in June 1955. While there was strong demand for almost every type of labour during the month, construction appeared to be exerting the strongest pull on available supplies.

Canada's civilian labour force stood at 5,764,000 on June 23 versus 5,664,000 a month earlier and 5,615,000 a year ago. Persons at work 35 hours or more numbered 5,156,000 ver-

sus 4,997,000 on May 19 and 4,996,000 at the same time last year, and the number at work less than 35 hours was 348,000 versus 390,000 at mid-May and 333,000 a year ago.

A rapid increase in outdoor activities during June, after bad spring weather, brought employment in the Atlantic region to an all-time record level. Persons with jobs in the region were estimated to number 531,000 at June 23, an increase of 32,000 from a month earlier and 23,000 from the same date in 1955.

The employment increase in Quebec in June was smaller than the record gain of June last year but greater than the increase during the same period in the two preceding years. Persons with jobs at June 23 were estimated at 1,556,000, an increase of 39,000 from the previous month and 37,000 from the previous year.

In Ontario a further increase in employment in June from the high spring totals brought employment to an all-time record level. Persons with jobs reached a total of 2,094,000 at June 23, an increase of 56,000 from the previous month and 87,000 from the previous year.

Employment continued to increase in the Prairie region during June, reaching the highest figure on record for the month. Persons with jobs at June 23 were estimated at 1,000,000, about 9,000 more than a month earlier and 23,000 more than at the corresponding date in 1955.

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(C.W.B. August 1, 1956)

JUNE EMPLOYMENT NEW ALL-TIME HIGH

(Continued from P. 1)

During June employment in the Pacific region increased further from the high levels already attained early in the spring. The number of persons with jobs was estimated at 466,000 at June 23, about 12,000 more than a month earlier and 19,000 more than in June 1955.

* * * *

SPOTLIGHT ON LATIN AMERICA: Eleven Canadian Trade Commissioners in ten Latin American countries took part in a three-day conference called by the Department of Trade and Commerce to discuss ways and means of increasing Canada's exports to the rapidly developing republics of South and Central America and the Caribbean area.

They were joined during the conference by a small group of Canadian businessmen, with wide selling experience in that area, who presented some of the problems with which they are confronted and put forward a number of constructive recommendations for consideration by the Department of Trade and Commerce.

The last conference covering Latin America was held in Ottawa in 1945. During the eleven-year period since the last conference, Canada's exports to Latin America have increased from \$60 million to \$170 million, or approximately three times. Although no objective or target figure was set for the future, it was suggested that a total of \$500 million might be achieved by 1965 if the same rate of growth is maintained.

During the conference particular attention was devoted to the problem of stirring up greater interest on the part of Canadian businessmen in the trade possibilities of the Latin American market. There was general agreement that exports could be increased by continuous and energetic efforts despite dollar shortages in some countries and keen and growing competition from other exporting countries. Problems involved in selling on credit terms in some countries in Latin America and the encouragement of business and official visits both ways between Canada and Latin America were also discussed.

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BLIND SCOUTS INVESTED: Five boys, members of Canada's first patrol of Blind Scouts, were invested as Tenderfoot Scouts recently at the Montreal Association for the Blind, by Scoutmaster Gilbert Williams who is also blind. As members of the Woodpigeon Patrol they have developed a morse-code whistling system which may well surpass conventional flag signalling methods used by sighted Scouts, their Scoutmaster states.

IMPORTS UP 39 PER CENT: Value of Canada's imports topped all other months by a wide margin in April, reflecting the high levels of economic activity in Canada and in particular the extent of investment. Gains were widespread among the commodities but were especially large for such items as non-farm machinery, rolling-mill products, pipes, tubes and fittings, engines and boilers, farm implements and machinery, and automobiles and parts. Imports from the United States and the United Kingdom soared to record-breaking levels and sharp gains were also posted for Latin American countries and Europe.

Imports from all countries in April were valued at \$532,400,000, up 39 per cent from last year's corresponding total of \$382,600,000. This boosted January-April purchases 31 per cent to \$1,804,600,000 from \$1,373,300,000 a year earlier. Volume of imports jumped almost 35 per cent in April and prices averaged about 3 per cent higher.

STEEP RISE

Purchases from the United States in April were valued at \$400,294,000, steeply above last year's \$284,784,000, raising the four-month total to \$1,361,782,000 from \$1,030,458,000. Imports from the United States accounted for 75 per cent of all imports in April, a slightly larger proportion than a year earlier. All commodity groups except fibres and textiles were larger in value in April and the four months and were especially large in the iron and products group.

Imports from the United Kingdom jumped to \$50,046,000 in April from \$33,792,000 a year earlier and to \$147,841,000 in the January-April period from \$119,225,000.

Purchases from the rest of the Commonwealth dropped in value to \$13,941,000 in April from \$18,246,000 a year earlier and four-month imports from the group eased to \$52,959,000 from \$53,834,000.

Mainly accounted for by substantially larger purchases from Mexico, Venezuela, Cuba, Colombia and Brazil, total imports from all Latin American countries rose in value in April to \$30,704,000 from \$23,682,000 in the corresponding month last year and to \$122,012,000 in the January-April period from \$91,901,000.

Larger purchases from all main European sources, including Belgium and Luxembourg, France, Federal Republic of Germany, Italy, Netherlands, Sweden, and Switzerland, boosted imports from the area to \$25,980,000 in April from \$15,465,000 a year earlier and to \$72,361,000 in the January-April period from \$47,716,000.

Imports from all other countries climbed to \$10,942,000 in April from \$6,087,000 a year ago and to \$45,178,000 in the January-April period from \$28,265,000. Japan, Netherlands Antilles, and Lebanon were the major sources both in April and the four-month period.

CITIZENSHIP CERTIFICATES GRANTED TO 58,711 IN 1955

INCREASE OVER 1954: Last year certificates of Canadian citizenship were granted to 58,711 persons who formerly owed allegiance to other countries, three times as many as the 19,545 granted in 1954, the Dominion Bureau of Statistics reports.

Just over one-sixth, or 10,661 of the persons naturalized in 1955 had formerly been citizens of Poland (3,303 in 1954). Italy had been the country of allegiance of 4,532, or almost 8 per cent (568 in 1954). Other British Commonwealth countries accounted for 3,766, or 6.4 per cent (3,568); Netherlands for 3,564 (783); U.S.S.R. for 2,434, (416); China for 2,366 (1,425); Lithuania for 2,275 (569); and Latvia for 2,063 (505).

Among the 13,332 persons who had reported themselves as stateless when applying for Canadian citizenship, almost half had been born in Poland, almost one-fifth within the present boundaries of the U.S.S.R., and around 6 per cent each in Austria, Czechoslovakia, Germany and Hungary. This group numbered 3,434 in 1954.

As in previous years, Ontario was the province of residence of over half (58 per cent) of the new citizens, while Quebec was represented by 17 per cent, an increase from 13 per cent in 1954; British Columbia's representation dropped from 14 per cent in 1954 to 9 per cent in 1955. The Prairie Provinces were the residence of 15 per cent in 1955, as compared with 16 per cent in 1954, and only 1 per cent lived in the Atlantic Provinces as compared with 2 per cent in 1954.

Of the persons becoming Canadian citizens in 1955, 34,895, or 59.4 per cent were males.

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MILLION NEW HOMES: The completion of a million new homes in Canada since the end of the war will be marked at ceremonies to be held in Scarborough Township in Metropolitan Toronto on September 14. A merchant builder's house in a Scarborough Township subdivision has been pin-pointed as a symbol of the million new dwelling units completed since VE Day, May 8, 1945.

Dwellings completed from VE Day to the end of 1945 totalled 29,912, and another 866,770 miles were finished in the 10-year period 1946 to 1955, with 79,716 under construction at the start of 1956. Not included in these figures are dwelling accommodation added to the nation's housing stock by conversions which average about 3,500 units a year.

Federal, provincial and municipal officials and representatives of the housebuilding industry will be on hand to welcome the owners on "moving-in" day, and the family will be honoured at luncheon following the ceremony.

However, the Census of 1951 recorded 441,490 persons who owed allegiance to some other country, 56.8 per cent of these being males. The age group 20-64 (which may be considered as the Labour force group) accounted for 50,963, or 87 per cent of the persons granted certificates of Canadian citizenship in 1955. Of the males granted certificates in 1955, 22,409 or 64 per cent were married.

The location of persons granted certificates of Canadian citizenship in 1955 was predominantly urban (84.5 per cent), with as many as two-thirds living in urban centres of 100,000 population and over, and only 15.5 per cent lived in rural areas though the total population of Canada as reported at the 1951 Census, was only 61.6 per cent urban. The persons naturalized in 1955 were, to a high degree (82.9 per cent), composed of persons who immigrated to Canada in the years 1946 to 1950, inclusive.

About 87 per cent of males granted certificates in 1955 (30,323 out of 34,985) were part of the Canadian labour force. Almost one-third of the males in the labour force were engaged in manufacturing and mechanical occupations, 14 per cent were labourers in other than primary industries. Construction occupations accounted for 11 per cent and agricultural, service, and professional occupations accounted for about 8 per cent each.

About 57 per cent (13,534 out of 23,816) were homemakers and 8 per cent were under 14 years of age. Only 30 per cent (7,057) were in the labour force, mainly in manufacturing and mechanical (2,456), in service (1,738), and clerical occupations (1,319).

Announcing the ceremonies, the Minister of Public Works, Mr. Robert Winters, said that September 14 would mark an important milestone in the growth of housing in Canada. He pointed out that "on that day Canada's house builders would also begin their celebration of National Home Week, which will bring the achievement of the million homes closer to local areas throughout the nation."

The National House Builders' Association sponsors National Home Week, which is observed by the various branches and associations in each province.

Canada's installed hydro-electric capacity of nearly 18,000,000 horsepower is higher than that of any other country with the exception of the United States which is roughly double that amount. On a per capita basis, Norway comes first with 1.3 horsepower and Canada second with 1.1 horsepower.

DISTINGUISHED VISITORS: The Prime Minister of Australia, The Right Honourable R.G. Menzies, C.H., Q.C., and his wife, Dame Pattie Menzies, spent the period July 25-29 in Canada. Mr. Menzies was returning from London, where he attended the conference of Commonwealth Prime Ministers. After arriving in Ottawa on Wednesday, July 25, Mr. Menzies paid a call on the Prime Minister, who entertained in his honour at luncheon, on the Secretary of State for External Affairs, and on the speakers of the Senate and House of Commons. That evening a dinner was held by the Australian-Canadian Association.

The Prime Minister then proceeded to Quebec City, where he received an honorary degree from Laval University. He visited points of historic interest on Saturday, and on Sunday morning left for Chicago by air.

The Prime Minister of Australia and his wife were accompanied on the visit to Quebec City by the Minister of Northern Affairs and National Resources, Honourable Jean Lesage, P.C., and Madame Lesage.

* * *

RADAR FOR AIR TRAFFIC CONTROL: The installation by the Department of Transport of radar aids to air traffic control in Canada is now under way with the first equipment presently being set up at Montreal's Dorval Airport, it was announced in Ottawa.

The need for the provision of radar facilities to be manned and utilized by air traffic controllers is being met by a long-range programme that will eventually see many of the country's major airports utilizing the benefits of radar.

"The provision of radar equipment and the implementation of radar procedures will not be the final answer to the air traffic control problem, but it will be a big step towards increasing the safety in flying", a Departmental officer stated.

Contracts have already been awarded for the provision of 15 sets of long-range airport surveillance radar, delivery to commence in 1957. These complex installations will be capable of tracking Sabre Jet type aircraft up to an altitude of 60,000 feet at a range of 90 miles, with considerably greater ranges for larger aircraft.

Meanwhile, a smaller type of set for short-range observance is to go into operation about mid-August at Montreal, about a month later at Toronto and September or October in Winnipeg and Vancouver.

Even when the larger and considerably more expensive equipment is installed, the smaller sets will be used for special services they can supply. They provide experience for air traffic controllers in radar procedures, are useful in training, yield experience in maintenance and, of course, permit immediate radar traffic control aid pending the commissioning of the large, surveillance radar systems.

SPEEDING NEW PIER AT HALIFAX: Increasing growth of traffic at the Port of Halifax makes it necessary for the construction of the new general cargo deep sea pier to be undertaken to its full 1,050-foot length without delay instead of in two stages as originally planned, it was announced July 20 by the Minister of Transport, Mr. George C. Marler. To enable the full length reinforced concrete pier to be constructed in one stage, an additional amount of \$1,432,000 has been placed in the supplementary Estimates of the National Harbours Board. This is in addition to the sum of \$1,-223,288 which was included in this year's Main Estimates.

The contract for the first stage, amounting to \$1,557,778, provided for the construction of a pier 595 feet long by 290 wide which would make available two berths for ocean ships. The second stage of the programme was to have added 455 feet to the length of the pier. When completed, the full length pier will be able to provide berths for four ships.

Mr. Marler stated that "it now appears that if growth of traffic is sustained at Halifax the whole pier will be required earlier than expected" and that the National Harbours Board had recommended completing the pier immediately. He pointed out that traffic at Halifax, as a port of call for numerous passenger liners and freighters, is subject to peaks and that a reasonable reserve of facilities is desirable to take care of such situations.

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WHEAT EXPORTS CONTINUE LARGER: Continuing the trend begun during the first week of March, overseas export clearances of wheat in the week ending July 4 climbed to 6,668,000 bushels, more than double the 3,102,000 bushels recorded in last year's corresponding period, the Dominion Bureau of Statistics reports. Exports in the August 1-July 4 period totalled 240,605,000 bushels, up 26 per cent from last year's 191,479,000 bushels.

Marketings by Prairie farmers during the week rose to 9,571,000 bushels compared to 9,237,000 a year ago and in the cumulative period to 270,645,000 compared to 249,217,000 bushels. Visible supplies in store or in transit in North America on July 4 at 336,751,000 bushels were up slightly from 335,582,000 a week earlier but below last year's 353,312,000.

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CANADA - GREATEST NICKEL PRODUCER: From 1886 when nickel was first produced in Canada to the end of 1955, the free world's production of the metal has been 8,500,000 pounds of which Canada has accounted for 84 per cent. In 1955, the combined total deliveries of nickel by Canadian producers were at a record high estimated at 357,000,000 pounds, representing somewhat over 80 per cent of the free world supplies.



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UNPRECEDENTED RESOURCES DEVELOPMENT

RECORD EXPANSION: "No country has ever witnessed the national development, the development of our natural resources and the increase in processing of those resources in this country to the extent that the people of Canada have witnessed it during the past decade and a half."

With these words, the Minister of Trade and Commerce, Mr. C.D. Howe, introduced a speech in the House of Commons on July 9 on the development of Canada's natural resources and the economic situation in Canada today. Excerpts from Mr. Howe's speech follow:

"...As the result of a balanced economic growth, financed largely by Canadian savings but assisted materially in certain key industries by foreign capital, know-how and enterprise, Canadians have enjoyed the benefit of prosperity unparalleled in the history of the country. Jobs are more plentiful; incomes are higher and so are living standards....

"...It is not surprising that this remarkable record of expansion and rising standards of living should be accompanied by equally remarkable levels of foreign trade.... Exports rose by 10 per cent in 1955 above the previous year. In the first five months of this year the increase over 1955 was 12 per cent, and in January, February and May the increase was between 17 per cent and 18 per cent over the same months of 1955.

"...There have been even greater increases in imports. In the current year, to date, im-

ports have been nearly one-third higher than in the same period last year....

"Twice a year my department makes a survey of investment intentions of private industry and governments. At the beginning of 1956 this survey indicated a 21 per cent increase in capital expenditures to the highest levels on record. The department is just about to publish its mid-year survey. To my astonishment this survey indicates an upward revision in 1956 plans which now involve outlays 28 per cent above actual outlays in 1955. A major upsurge in imports would seem to be the natural consequence of such a situation. Many of the goods normally produced in Canada are simply not available in sufficient quantities to meet the present level of requirements....

"With very few exceptions activity in Canada's secondary manufacturing industries is now running well ahead of the levels prevailing in 1954. These considerations suggest that in the circumstances now prevailing in Canada a rapid rise in imports is not to be deplored. On the contrary, it is highly desirable. In the first place, it helps to speed industrial expansion while market opportunities are still present. Second, it helps to ease the pressure on domestic resources and thereby prevents inflationary tendencies and unhealthy speculative excesses which might benefit individual groups but would react to the disadvantage of the community at large....

(Continued on P. 2)

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UNPRECEDENTED RESOURCES DEVELOPMENT

(Continued from P. 1)

"....The most conclusive evidence of the basic strength of Canada's external position is the fact that despite the large deficit on current account, we are not encountering balance of payment difficulties. The increasing rate at which investment funds are coming into the country gives ample proof of the confidence placed in Canada's position and future prospects....

"One of the most noteworthy developments in Canada is the high degree of industrialization of our economy. Every fourth person working in our country is now employed in manufacturing industries, and approximately one out of every three dollars of our national income is earned in Canadian industrial plants. No wonder, then, that Canada has become an important importer of industrial raw materials and fuel, including bauxite, cotton, wool, coal and crude oil. Last year, for example, we imported \$530 million of industrial materials in raw form. We exported a total of \$3.25 billion of industrial materials. But of this amount \$2.8 billion represented materials sold abroad in processed form. Only about \$425 million went out in raw form. Hence in our trade in raw materials and fuels used by industry, Canada was a net importer of industrial raw materials, to the tune of some \$105 million in 1955.

RAPID INDUSTRIALIZATION

"This situation, of course, is not static. We are likely to export more iron ore in the future. But then some of our other industrial materials which are now exported in raw form may be moving into the category of materials processed at home in some form or another; for example, pulpwood, copper, etc. It is well to remember when we complain about exports of our raw materials that we import raw materials to the value of \$105 million in excess of the value of the raw materials that we export....

"Increased processing of raw materials in Canada is reflected in substantial expansion in the production of a number of our major industries in the post-war period. For example, the value of manufactures of primary iron and steel rose three times over the last decade, reaching a total of half a billion dollars last year. Non-ferrous metal production reached a peak of \$1.1 billion dollars in 1955, some three times the value ten years earlier. Pulp and paper production chalked up a record of \$1.33 billion last year, three and one third times the 1945 value. The chemical industry for the first time in its history joined the billion dollar club of Canadian industries in 1955, more than doubling the value of its 1945 output....

"As a result of Canada's rapid process of industrialization our country now occupies a position second only to the United States in

terms of output per capita of manufacturing industries....In relation to our total labour force employed there are about as many people working in manufacturing industries in Canada as there are in the United States, about 25 per cent in both countries. Approximately 16 per cent are in what is known as fabricating industries, that is, motor cars, railway rolling stock, typewriters, etc., and 9 per cent in processing industries, pulp and paper, aluminum, primary iron and steel. The United States proportions are similar, 17 per cent and 8 per cent. Surely if a country with only about one-tenth the population of the United States has achieved a structure of industry that is not too different from that of the world's leading industrialized nation it is something to be proud of....

"In the 89 years since confederation there has been an important change in the pattern of financing Canadian investment. In the nineteenth century the overwhelming proportion of our capital expansion was financed by capital coming from the United Kingdom and the United States. Then during the first two decades of this century the rapid settlement, urbanization and industrialization that took place made it possible for Canadians to accumulate a more significant volume of savings, which found its way into Canadian investment. While statistics of this type are scarce, what information we have suggests that something like two-thirds of Canadian investment was financed by funds from abroad during this period. The years that followed saw a further improvement, and by the late 1920's about one-half of gross capital formation in Canada was financed from Canadian savings, the other half through non-resident financing.

INVESTMENT PICTURE

"During World War II Canada herself was able to finance almost wholly the capital expenditures on facilities required to turn out munitions of war, to train the armed forces, and to keep the civilian economy going. After the war's end foreign investors started sending capital to Canada again to participate in our economic expansion. Still about 80 per cent of all of Canada's gross capital formation was financed from Canadian savings and 20 per cent through direct foreign financing in the period 1946 to 1949. In the last five years the inflow of foreign capital has been stepped up, and the ratio of Canadian to foreign financing of gross capital formation has been about three to one.

"In fact, however, Canadian savings available for investment were much greater than these figures would suggest. A good portion of these savings were invested abroad. From 1946 to 1949 and for some years before that, and again in 1952, Canada was a net exporter of capital. So if one allows for Canadian investments abroad and the use of foreign resources

HIGHER FARM WAGES IN MAY: Farm wages averaged higher at mid-May this year than last, the Dominion Bureau of Statistics reports. Average annual wages for all Canada, rose to \$1,110 with board provided from \$995 a year ago and without board to \$1,520 versus \$1,445. Average monthly wages for all Canada increased to \$108 versus \$103 with board and to \$142 from \$133 without board.

Eastern Canada annual wages with board averaged out to \$1,045 from \$925 and without board to \$1,465 versus \$1,425. Western Canada totals were also higher for both categories with wages with board rising to \$1,200 from \$1,100 and without board to \$1,590 from \$1,-480.

Monthly wages were higher both with and without board in the Maritimes as well as Quebec, Ontario and the four Western provinces. Highest average in both cases was in Alberta at \$122 with board and \$160 without board.

The daily rate with board for all Canada advanced to \$5.30 from \$4.90 and to \$6.40 from \$6.10 without board. Hourly rates rose to 0.70 cents with board from 0.63 cents and to 0.86 cents without board from 0.79 cents.

* * *

THIRD ANNUAL CIVIL DEFENCE TEST: Over 5,000 full and part-time Civil Defence workers across Canada manned provincial and municipal control centres during the international Civil Defence exercise "Alert III" from July 20 to 23. All provinces except Prince Edward Island participated in this third annual CD test which is a co-ordinated effort between Federal Civil Defence headquarters at Ottawa and the U.S. Federal Civil Defense Administration at Battle Creek, Michigan.

During the 50-hour period of the exercise, Civil Defence authorities at all levels of government adopted procedures to train control centre staffs, test national and international communication systems, study problems which might arise in implementation of the Survival Plan and further develop Canada - U.S. co-ordination of services. The federal headquarters for the exercise was located at the Canadian Civil Defence College at Arnprior, Ontario, 40 miles north-west of Ottawa.

F.F. Worthington, federal Civil Defence co-ordinator, directed operations at the federal control centre where 150 FCDH staff members, personnel from the College, and volunteers from the Ottawa Civil Service Civil Defence organization worked around the clock maintaining direct communications with the provincial and municipal control centres across the continent. Liaison officers from the Armed Services, the Royal Canadian Mounted Police and all federal government departments were also assigned to the exercise and stationed at Arnprior. Similar appointments from provincial government departments were located at the provincial control centres so that the scope,

impact and enormity of Civil Defence survival planning would be realized by these agencies.

In addition, an exercise control and umpire staff numbering 100, headed by G.S. Hatton, deputy federal co-ordinator, was located in each of the fully-participating centres where they developed "Alert III" by interjecting situations arising from the simulated nuclear attacks made on undisclosed Canadian cities. The main duty of these umpires was to indicate the situations resulting from direct enemy action which, because of exercise conditions, would not otherwise be realized by control centre staffs.

Besides the nine provincial and 12 zone control centres activated during the exercise, Civil Defence organizations at Victoria, Vancouver, Edmonton, Regina, Winnipeg, Toronto, Quebec City, Saint John, N.B., Halifax and St. John's, Nfld., took part. Initial action in "Alert III" started on July 20, and followed through without let-up until July 22. From July 22 to 26 the federal control centre at Arnprior continued to operate with a skeleton staff in order to assist the U.S. Civil Defense organization complete their portion of this international exercise which embraces Canada, the United States, Alaska, the Panama Canal Zone, Puerto Rico and Hawaii.

* * *

FEWER BIRTHS IN JUNE: Fewer Babies were born in Canada in June and the first half of this year than in the corresponding periods of 1955, according to preliminary totals of registrations in provincial vital statistics offices. Deaths and marriages, on the other hand, were more numerous in both periods.

Total births in June fell off to 35,509 from 38,980 a year ago, lowering the half-year total of 218,821 as against last year's 219,469. Number of births in June was lower in all provinces except the three maritime Provinces and British Columbia, but in the half-year was lower in all except Quebec, Ontario, Manitoba and British Columbia.

Deaths rose in June to 11,576 from 10,548 a year ago and in the half-year to 68,952 from 65,391. The number was larger in both June and the half-year in New Brunswick, Quebec, Ontario and Manitoba, and in June in Alberta as well.

Marriages increased slightly in June to 11,548 compared to 11,456 and for the six months were up to 48,933 against 46,840 last year. Increases in the half-year were confined to Quebec, Ontario and British Columbia, while in June the number was larger in Newfoundland, Ontario, Saskatchewan and Alberta.

Asbestos accounted for two-thirds of the value of non-metallics produced in Canada in 1955. Shipments last year exceeded 1,000,000 tons and approached \$100,000,000 in value.

OIL PRODUCTION "ON THE DOUBLE": Each year recently, Saskatchewan's oil production has approximately doubled that of the previous year, and this trend shows signs of holding true in 1956.

During the first three months of the year, cumulative crude oil production in the province reached a total of 4,056,237 barrels - more than double the 1,970,685 barrels produced in the first three months of 1955. March's total production of 1,375,707 barrels was more than double the 624,507 barrels produced in March of 1955.

The type of production has become more varied with discovery and development of new fields. In southwestern Saskatchewan, several of the newer oil fields in the Swift Current area are yielding medium gravity oil, while over a wide area in the province's southeast, oil companies have discovered and are producing the more valuable light gravity oils.

Today, the output of these medium and light gravity oils is outdistancing that of heavier crude oils from the older fields, and already accounts for as much as two-thirds of an average month's production.

IMPORTANT AREAS

While the Lloydminster and Lone Rock fields, near the Alberta border, are still major producing fields, they have been displaced as leading producers of heavy crude in the province by the Coleville-Smiley field, further south and east in west-central Saskatchewan, with this newer area now producing almost double their output.

Still more recently, the Swift Current area has become an increasingly important oil region. During the past few years, following the initial discovery of medium gravity oil near Fosterton, northwest of Swift Current, new oil fields have come into production in such areas as Success, Cantuar, Battrum and Gull Lake, and, further to the southwest there are other fields at Dollard, Instow and East-end.

Light oil discoveries at various points in the southeast led to establishment of many new oil fields in this area. And, since the southeast corner covers Saskatchewan's portion of the so-called Williston Basin oil reservoir - which includes producing areas in Manitoba, the Dakotas and Montana - the level of interest and exploration there has remained high.

Since the beginning of this year, with the exception of a recent medium gravity discovery at Verlo, in the Swift Current area, the spotlight on Saskatchewan petroleum and natural gas exploration has been focussed almost exclusively on the southeast.

Over 100 wells were drilled in the southeast's light gravity area in the first four months of the year, and at least another 500 are expected to be drilled in the area before the end of the year.

Of the 100 wells drilled in the Assiniboia-

Weyburn-Estevan-Nottingham area, in the first four months of the year only twelve were abandoned. The remainder have been completed as producing oil wells, or show every promise of being brought in successfully.

Eight of the completions were wildcats and in most instances represented discoveries of new pools. Encouragement for even greater development in southeastern Saskatchewan may also be taken from several abandoned wild-cat wells in the area, which had promising but uncommercial oil shows in the Mississippian formation.

Despite the fact that the southeast is a relatively new oil production area, its fields accounted for approximately 329,477 barrels, or about 24 per cent, of the total of 1,375,707 barrels of oil produced in the province in March of this year, one of the most recent months for which statistics are available.

Heaviest oil producer in the province during March was the Coleville-Smiley field in west-central Saskatchewan, with 268,416 barrels produced. The Lloydminster and Lone Rock fields together produced a total of 124,180 barrels, while heavy production was also recorded in the Swift Current area fields of Success, Cantuar, Fosterton and Battrum.

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BOOST ARMY CADET ENROLMENT: The Royal Canadian Army Cadet organization has been authorized to enrol to a total of 75,000 cadets - an increase of 10,000 - Army Headquarters announced recently.

The number of instructors of the Cadet Services of Canada may now be increased from 2,500 to 2,900 to provide leaders for additional corps or corps whose authorized strengths may be increased.

At present there are 567 corps across Canada providing training to boys between 14 and 19.

The corps are of two types - open corps, under sponsorship of Canadian Army units, Service clubs or other similar organizations, and school corps under sponsorship of educational authorities and local school boards. Ninety per cent of the corps are the latter type in which instructors, for the most part, are teachers in secondary schools.

The Army provides additional instructors, training equipment, weapons and ammunition.

Cadet training is voluntary and is carried out under the supervision and guidance of officers and non-commissioned officers from the Canadian Army (Regular) in co-operation with provincial educational authorities.

Army cadet training provides young Canadians with a sound knowledge of military fundamentals, leadership, patriotism and citizenship. They are given progressive instruction over a period of three years in drill, small arms training, first-aid, shooting, map reading, and fieldcraft. Local training at armouries or schools may be complemented with summer training at various camps.

REFINED PETROLEUM PRODUCTS INCREASED: Canadian output of refined petroleum products in March totalled 17,288,116 barrels, 18.5 per cent larger than last year's corresponding total of 14,588,549, the Dominion Bureau of Statistics reports. Some of the major products responsible for this increase were: motor gasoline, 5,980,453 barrels (5,781,244 a year ago); heavy fuel oil, 3,587,063 (3,287,902); diesel fuel, 1,530,316 (984,541); light fuel oil, 2,680,593 (2,186,797); kerosene and stove oil, 1,254,443 (1,050,581).

Refineries used 16,783,062 barrels of crude petroleum in March versus 14,348,224 a year ago. Receipts of crude oil increased to 16,986,636 barrels from 14,175,094. Supplies from domestic sources rose to 10,188,364 barrels from 7,270,022, but imported crude declined to 6,798,272 barrels from 6,905,072. Inventories of crude at the end of the month were larger at 20,030,399 barrels versus 18,021,389.

* * *

TRANSATLANTIC TELEPHONE SERVICE: Early start of service over the new Transatlantic telephone cable and the near completion of other Canadian communication projects keynote the Sixth Annual Report of the Canadian Overseas Telecommunication Corporation which was tabled in the House of Commons by Honourable George C. Marler, Minister of Transport. According to Douglas F. Bowie, President and General Manager of the Crown Company, the new Transatlantic cable is the most important communication development "since the laying of the original telegraph cable over 90 years ago".

The report states that by the end of October this year services over the new cable will be in operation. The Corporation, on behalf of Canada, is a joint owner in this historic development with the British Post Office, American Telephone and Telegraph Company and Eastern Telephone and Telegraph Company.

Although the Transatlantic telephone cable highlighted the Crown Corporation's report, Mr. Marler commented upon the unbroken string of six consecutive profitable years by the Corporation since its inception in 1950. This year's report reveals a net profit amounting to \$217,158 after making provision for income tax and interest on Government advances. This represents more than 60 per cent per annum increase in profit over 1954. It is noted, too, that the Corporation's financial year has now been changed to coincide with that of the Commonwealth Telecommunication Network and covers for this report only, a period of 15 months ended March 31, 1956.

Among other developments which form part of this expansion and improvement of overseas telecommunication services and is set for early completion is the new head office building in Montreal, which, according to the President, "will be ready in time to receive the connection from the transatlantic cable

when it is completed". Also near to completion are the new central office building in Vancouver and radio stations at Ladner and Langley, British Columbia, which, says Mr. Bowie "will form an important additional link in the Commonwealth Telecommunication Network and will reinforce existing Pacific cable routes".

* * *

GAME BIRD HUNTING REGULATIONS FOR 1956: Game bird hunters in Canada will have few changes in the regulations to memorize this year.

Migratory Bird Regulations for 1956, released recently by the Canadian Wildlife Service of the Department of Northern Affairs and National Resources, show that in the four Maritime Provinces and the Yukon and Northwest Territories, open seasons for game birds are the same as last year. In only one province, British Columbia, is there any change in daily bag and possession limits.

Amendments are mostly confined to boundary revisions in Quebec, Manitoba and British Columbia and slight changes in opening dates in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. In all areas the length of open seasons remains virtually the same.

In Ontario and Manitoba ducks and geese will get a break this year and hunters have to wait till noon to open fire. Early morning concentrations of birds are heavy and hunters rise early. The noon opening is designed to give birds some protection against the normally heavy opening day kill. Ontario's mourning doves will have no cause for grief this year. The closed season on them, relaxed experimentally in 1955, will be re-imposed.

Quebec, Manitoba and British Columbia have revised the boundaries dividing hunting districts. The province of Quebec has made a slight revision in the boundaries of the Northern District; in Manitoba the boundary line dividing Northern and Central Districts becomes the 55th, instead of the 57th parallel, and what were formerly three Districts in British Columbia have been sub-divided into five. In British Columbia, while it will still be legal for a hunter to possess forty ducks, twenty or more must be at his home or in a cold storage locker. Up to twenty birds only may be in his possession while on a hunting trip.

In the Northwest Territories where the taking of ducks, geese and a few other species is legal from September 1 to October 15, and in the Yukon where open season is September 1 to October 31, the rare Ross' Goose remains, as always, on the protected list.

The apple is the most important of the commercial fruits grown in Canada. Last year Canadian growers harvested the largest crop on record. At 19,500,000 bushels, it was more than one-third larger than average.

UNPRECEDENTED RESOURCES DEVELOPMENT

(Continued from P. 2)

as a percentage of net capital formation, it turns out that not more than 6 per cent of Canadian investment in the post-war period depended on foreign resources.

"To look at foreign investment in Canada in its proper perspective, we must see it in the light of what Canadians are doing abroad....

"...Before the war Canadians had gross liabilities to other countries of \$7.4 billion. Their assets abroad amounted to \$1.9 billion. Their net indebtedness amounted to \$5.5 billion. In other words, for every dollar Canadians had invested abroad they owed about four to other countries.

"By the end of 1955 gross liabilities to other countries had risen to \$14.5 billion, amounting to about double what they had been in 1939. Canada's gross external assets had risen to \$7 billion, or about four times what they had been in 1939. Currently for every \$2 Canadians owe abroad, \$1 is due them. If this trend continues I would not be surprised to see Canada in the next quarter of a century move from a position of a debtor to that of a creditor nation....

CANADIAN MONEY ABROAD

"We hear little complaint about foreign investment in Canada other than that directed at investment by United States residents. Now, out of the \$14.5 billion of money Canada owes to other countries, about \$13.2 billion is foreign capital invested in Canada and the remainder is Canadian dollar holdings of non-residents and short-term assets. Of the latter amount some three-quarters is United States investments.

"More detailed figures available for 1954 enable us to compare the long-term investments of Canadians in the United States with those of United States residents in Canada. Honourable members will be interested to learn that at the end of 1954 the average Canadian had invested \$121 in the United States, while the average United States investor had invested less than half that amount in Canada, \$59. To suggest that the average Canadian investor is a timid soul, as I have heard it said, while the United States investor is bold and venturesome, is not quite supported by the facts, if we consider Canadian and United States investments in each other's countries on a per capita basis.

"...For a country as small as Canada with only about one-tenth the population of the United States and one-fifteenth of its national output, Canadians have made substantial

investments abroad. The bulk of it is in the United States, but fairly sizable amounts are also invested in the United Kingdom and other commonwealth countries, Latin America, western Europe, Africa and Asia....

"Foreign investors have shown preferences for investment in certain sectors of the Canadian economy, particularly oil and natural gas, mining, and certain branches of manufacturing such as motor cars, appliances, electrical and electronic equipment. In these fields in which they have concentrated they have invested large amounts, and in some sectors they frequently own or control the bulk of the assets. But we have to see foreign investment in Canada in its proper perspective, and that is in relation to the growth of capital owned by Canadian residents. The fact of the matter is that Canadian capital has been expanding over the last decade and a half at a rate about twice as great as that of foreign capital in Canada. This is illustrated by the growth of resident-owned capital in selected Canadian industries from \$7.4 billion in 1939 to \$17.2 billion in 1953, an increase of 132 per cent. During the same period non-resident capital rose from \$4.5 billion to \$8.3 billion, an increase of 84 per cent.

"There is the further point that Canadian business has relied more and more on domestic sources for the capital needed for this expansion. As a result foreign direct investment in Canada has been expanding at a much slower pace than has outlay by private business. Over the period 1939 to 1955, for example, foreign direct investment in Canada more than tripled while outlay by private business increased to nine times the 1939 level.

PYRAMIDING DEVELOPMENT

"...A large proportion of the Canadian earnings of foreign investors is reinvested in Canadian development. Further, Canada's economy has been growing at such a rapid rate that the role of foreign investment in relation to our productive capacity has diminished and will continue to do so.

"You will recall that I mentioned that our gross liabilities to other countries have about doubled between 1939 and 1955. Over this same period our gross national product has risen to four times what it was before the war. Obviously as our productive capacity continues to grow more rapidly than the inflow of foreign capital, the burden of carrying this foreign investment is reduced....

"We have a great country in Canada. It has been developing in a way that is marvelled at by other countries in the world. I am happy to find that each year shows a pyramiding of that development..."



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DEPARTMENT OF EXTERNAL AFFAIRS

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MESSAGES BY METEOR TRAILS

AID TO COMMUNICATIONS: A Defence Research Board team has developed a promising new communications technique which uses the trails of single meteors to transmit messages over long distances. Called "Janet" on its inception four years ago, the project's principles have just been declassified by the Department of National Defence.

DRB authorities credit physicist Dr. P.A. Forsyth, formerly of Saskatoon, of the Radio Physics Laboratory (RPL) at Shirley Bay near Ottawa, with visualizing the practical possibilities of using individual meteor trails from the ionosphere as a communications aid.

Hundreds of meteors enter the earth's atmosphere every hour. They leave behind, at a height of about 60 miles, trails of charged particles which can reflect radio waves. Dr. Forsyth and his associates discovered that these trails can be used for communicating between distant points on the earth's surface. Experiments have proven that the signals can be transmitted by the "Janet" method for distances up to 1,000 miles.

Although large meteors occasionally flash through the atmosphere, those used in the "Janet" system are tiny particles about the size of a pin head which leave a trail of electrons.

The equipment required for the transmission of messages by this new technique is relatively simple. Because the method is reliable and

uses low-power equipment, efficient and economical long-range communication systems for all-season use are a definite possibility.

The system employs frequencies previously used only for short distance transmission such as television broadcasts. Because these frequencies are considerably less crowded than those now being used for long distance communications, this in effect opens a new band for long distance use.

The equipment at each of the two widely-separated ground stations employs many of the recently developed computor or "electronic brain" techniques. When the circuit detects a suitably located meteor trail in the upper atmosphere, the message previously stored at one station is transmitted automatically and rapidly to the other end of the circuit.

Because each meteor can be used only for about a second, transmission must take place in short bursts at very high speeds. The actual transmission speed is much too high to be received by standard teletype equipment. The incoming information therefore, is held in storage and printed at normal speeds during the intervals between transmission bursts.

This high speed "burst" transmission technique, and the frequent presence of meteors in the upper atmosphere, permits the passage of lengthy messages between stations in a relatively short space of time.

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MESSAGES BY METEOR TRAILS

(Continued from P. 1)

Because the signals reflected from the trails are largely independent of ionospheric conditions such as disturbances caused by the aurora borealis (northern lights), meteor trail transmissions will be particularly valuable for Canada with its vast distances in the aurora belt.

Successful development of the principle will provide Canada's armed services, and possibly civilian users in the future, with a secure highly reliable low-power form of communications.

Defence authorities in the United Kingdom and in the United States have been kept fully informed throughout the development programme and have encouraged the Canadian effort in this field. In addition, a continuing interest in the technique has been exhibited by other Commonwealth countries.

* * * *

CANADA-HONDURAS TRADE AGREEMENT: The Minister of Trade and Commerce, Mr. C.D. Howe, announced that a trade agreement for the exchange of most-favoured-nation treatment between Canada and Honduras was signed at Tegucigalpa on July 11. Mr. H.A. Scott, Canadian Ambassador to Cuba, the Dominican Republic and Haiti, signed the agreement on behalf of Canada.

This agreement, which is the first to be concluded between Canada and Honduras, is for an initial period of one year from July 18. It will continue in force thereafter until either country takes action to terminate it.

As a result of this agreement, Canada and Honduras will now exchange most-favoured-nation treatment with respect to customs duties and other trade matters, as well as to the allocation of foreign exchange for commercial transactions. Any tariff concessions that either Canada or Honduras may grant in the future to a third country will be extended automatically to the other. Canadian exports to Honduras, for example, will in future be subject to customs duties and charges no higher than those levied on goods from the United States, on the basis of the trade agreement between Honduras and the United States. Similarly, exports from Honduras to Canada will be subject to the rates of the Canadian most-favoured-nation tariff instead of the general tariff, the latter having been applicable until now.

Mr. Howe pointed out that Canadian exports of wheat flour, canned salmon and sardines, upper leather and rubber tires will now be placed on an equal footing with United States exports of similar products. Among the Honduran products which will now benefit from reduced rates of duty, when imported into Canada, are bananas, grapefruit and coconuts. About 90 per cent of our imports from Honduras have consisted of bananas.

This trade agreement is particularly notable in that it completes the structure of trade relations between Canada and the Latin American countries based upon the most-favoured-nation principle. Canada already exchanges most-favoured nation treatment with all other Latin American countries.

In February 1946, the Honourable James A. McKinnin, then Minister of Trade and Commerce, visited Honduras and the two countries agreed to negotiate a commercial modus vivendi. However, it was subsequently decided to postpone such an agreement until both countries had been able to review the situation in the light of the GATT discussions then pending. Discussions have taken place since that time between the two countries with a view to exchanging most-favoured-nation treatment.

In 1955, Canada's exports to Honduras amounted to \$588,000, while our imports from Honduras were \$1.7 million. Principal Canadian exports in recent years have been upper leather, rubber tires, powdered and condensed milk. In addition to bananas, Canada buys grapefruit, coffee, coconuts and tropical woods from Honduras. Honduras is a completely open dollar market with no import or exchange restrictions.

* * * *

INDUSTRIAL EMPLOYMENT AT NEW PEAK: Canada's index of industrial employment for April 1 reached a new high for the time of year. The rise in employment was accompanied by a further increase to a new all-time peak in weekly wages and salaries.

The employment index, on the 1949 base, advanced to 113.4 from 113.2 a month earlier and 105.7 a year earlier. The payrolls index, on the same base, rose to 168.1 from 167.3 in March and 150.0 last year, and weekly wages and salaries advanced to an average of \$63.37 from \$63.21 at the beginning of March and \$60.68 a year ago.

Higher levels of employment than at March 1 were reported at the beginning of April in manufacturing, construction, transportation, storage and communication, trade, finance, insurance and real estate and in the service industries. Manufacturing showed a fairly large gain, mainly in the durable goods industries, in which a rise of 1.4 per cent was due in part to reinstatement of striking employees who had not been called back to work when the last survey was made. Logging camps reported important curtailment in staffs, and employment in public utility operation declined moderately. Mining showed little change.

The trend in employment was downward in the Atlantic Provinces and Quebec, but some improvement was indicated in Ontario and the Western Provinces. Activity in almost all industries and areas was greater than at April 1 last year.

AID FOR HEALTH SERVICES: Federal grants of more than \$180,800 under the National Health Programme, in support of improved health services in several provinces, were announced recently by the Minister of National Health and Welfare, Mr. Paul Martin.

The Minister said a hospital construction grant of \$40,953 will help Victoria General Hospital, Halifax, to develop an outpatient and Metabolism section. A hospital construction grant of \$9,000 will help provide space for eight beds, operating room and other facilities at the Union Hospital at Montmartre, Saskatchewan, a cancer control grant of \$9,777 will aid in setting up a diagnostic and therapeutic clinic in the Sherbrook, Quebec, Hospital, and a general public health grant of \$5,840 will assist in the establishment of a glaucoma clinic at Victoria Hospital, London, Ontario.

Other federal contributions to the development of the public health field, announced by Mr. Martin are: grants of \$8,675 and \$8,086 respectively to the Connaught Laboratories, University of Toronto, for studies on antigenicity of polio vaccine in humans and a vaccine against tuberculosis; \$5,626 to the University of Western Ontario, for research related to air pollution by fungal spores in connection with alergic diseases, \$6,856 to Queen's University, Kingston, Ontario for a study on the role of fibrin in development of arteriosclerosis, and \$6,000 to Ontario for short training courses for medical rehabilitation personnel.

* * * *

FEWER BENEFIT CLAIMS: Fewer initial and renewal claims for unemployment insurance benefit were received in local UIC offices in May. Initial and renewal claims numbered 84,099, down 40 per cent from the preceding month's 135,369 and 14 per cent from last year's 97,623.

Claimants having an unemployment register in the "live file" at the end of May totalled 188,927 (132,145 males and 56,782 females) versus 240,708 (176,267 males and 64,441 females) a year ago. New beneficiaries for regular and seasonal benefit during May numbered 78,232 as compared with 94,663 a year earlier. Benefit payments amounted to \$19,154,627 in respect of 1,055,401 weeks compared with April's \$33,201,609 for 1,743,909 weeks and last May's \$20,016,815 for 6,388,-940 days.

Numbers of initial and renewal claims filed in local offices in the provinces in May were (1955 figures in brackets): Newfoundland, 2,608 (2,038); Prince Edward Island, 244 (239); Nova Scotia, 3,711 (4,987); New Brunswick, 3,904 (4,277); Quebec, 27,236 (31,565); Ontario, 30,771 (33,299); Manitoba, 3,395 (4,010); Saskatchewan, 1,371 (1,994); Alberta, 3,281 (5,004); and British Columbia, 7,578 (10,210).

CANADA'S POPULATION INCREASES: Canada's population reached 15,861,000 at March 1 this year, according to the regular quarterly Dominion Bureau of Statistics estimate. This was an increase of 69,000 or 1.7 per cent from the previous quarterly estimate of 15,792,000 at December 1 last year and compares with a gain of 72,000 or 1.9 per cent for the corresponding 1954-55 quarter.

Estimated increases are usually lowest of the year for the three months December, January and February, due to the small inflow of immigrants in this period, and highest from March to May or June to August. During the 12 months ending March 1 this year, the largest gain was an estimated 119,000 or 3.1 per cent from March 1 to June 1. The increase from June 1 to September 1 was put at 105,000 or 2.7 per cent, and from September 1 to December 1 at 86,000 or 2.2 per cent.

The total estimated gain for the 12 months ending March 1 this year thus amounted to 379,000 or a rate of 2.4 per cent. This compares with the estimated increases of 399,000 (2.6 per cent) in the previous twelve months, 391,000 (2.7 per cent) for the corresponding 1953-54 period and 376,000 (2.6 per cent) for the 1952-53 period.

These estimates will be subject to revision when the data from the 1956 Census becomes available.

* * * *

A NORTHERN AREA SOIL SURVEY: During the summer of 1955, soil specialists of the Canada Department of Agriculture made an exploratory soil survey of the Slave River lowlands in the Northwest Territories. The explored area is bounded on the east by the Canadian Shield, on the west by the Alberta Plateau, on the north by Great Slave Lake and on the south by the Northwest Territory-Alberta boundary. The total area of the lowland is 2,180,000 acres and the Slave River flows through the central part of the area.

It was considered that most of the soils in the lowlands could be considered arable for the crops that can be grown under the prevailing short and cool growing season. The area probably comprises the largest single block of potential agricultural land in the Northwest Territories.

The general appearance is that of a low level plain with low ridges and with occasional abandoned stream courses. Most of the lowland is wooded but there are extensive areas of open sedge and grass meadows. The soils have developed on sediments free of stone with a high lime content ranging from sand to clay. Drainage and texture are the most important factors causing differences in the soil. Poorly drained areas with a vegetable cover of sedge and willows have a thin peat cover over the mineral soil. The better drained forested soils have a thick surface layer of moss and leaf litter. Some of the soils have permanently frozen subsoil.

COMBINED OPERATIONS: Sixteen naval aircraft from HMCS Shearwater, the RCN Air Station at Dartmouth, Nova Scotia, will take part in the First Canadian Infantry Division's exercise "Morning Star" at Camp Gagetown, New Brunswick, July 25 to August 3.

Involving more than 10,000 troops, "Morning Star" will be the Army's second peacetime divisional exercise. It is designed to train elements of the First Division in their operational role.

The naval aircraft will include Banshee all-weather jet fighters, T-33 jet trainers and Sea Fury piston-driven fighters. Operating from Shearwater, they will provide tactical air support for ground forces, with the Banshees doubling also as "enemy" aircraft.

This will be the first large exercise for the newly-acquired Banshees of VF-870, Navy fighter squadron. The squadron has been training at Shearwater preparatory to joining Canada's new aircraft carrier, the Bonaventure, on her commissioning later this year.

* * *

CROP CONDITIONS IN PRAIRIE PROVINCES: Cool, wet weather has prevailed throughout the Prairie Provinces this past week. Crops generally are now making good to excellent progress with the exception of low-lying areas where moisture has been excessive. Spotty germination due to earlier drought in some areas is presenting a weed-spraying problem. Hay crops are good in Manitoba and most of Saskatchewan but the first cut will be light in much of Alberta and western parts of Saskatchewan. Hail damage has been reported from all three provinces.

In Manitoba, crops continue to make favourable progress under nearly perfect conditions in most areas. Moisture supplies are ample. Early-seeded grain is beginning to head while extremely late-seeded crops are just showing above ground. All crops, however, irrespective of the stage of growth, have a promising outlook. There is little evidence of rust and although grasshoppers are in widely scattered areas, they are causing little damage to date. Control measures are under way. Haying started during the week and stands are heavy. Potato crops and gardens are excellent. Several hail storms have been reported.

Moisture conditions are good in all districts of Saskatchewan and crop growth during the past week has been fairly rapid as a result of previous beneficial rains. However, some early-sown fields of wheat and barley are heading short in some parts of the province because of the prolonged drought earlier in the spring. In the central and western areas new growth of previously ungerminated seeds presents a weed-spraying problem as the crops are developing somewhat unevenly. Haying is getting under way but wet weather is delaying operations in many areas. Light to heavy hail damage has occurred in scattered areas.

Abundant rains were received in practically all areas of Alberta during the past week. Crop prospects are now considered better than average although some late crops are spotty, with excessive moisture retarding development on low lands. Some of the wheat has headed in the south and in the Peace River District and is rapidly coming into shot blade in other districts. Flaxseed, mustard seed, dry peas and potatoes are doing well but sugar beets are spotty and condition is below average. Summerfallow ranges from good in the south to wet and weedy in northern and Peace River areas. Wet ground is delaying progress of weed spraying. Several hail storms have occurred in southern and central districts. Pastures are good to fair, with cattle gaining in condition.

* * *

CHEQUE CASHINGS RISE: Cheques cashed in clearing centres reached an all-time high monthly total of \$18,290,000,000 in May, up 30 per cent from last year's \$14,069,000,000, the Dominion Bureau of Statistics reports. This raised the January-May total almost 22 per cent to \$78,429,000,000 from last year's \$64,492,000,000. All five economic areas shared in the increase both in May and the five months.

The Prairie Provinces had the largest increase in May of 37 per cent to \$2,964,000,000 from \$2,158,000,000 a year ago. British Columbia followed with a rise of 31 per cent to \$1,341,000,000 from \$1,027,000,000, Ontario next with an increase of 30 per cent to \$8,-267,000,000 from \$6,349,000,000, Quebec 28 per cent to \$5,281,000,000 from \$4,135,000,000, and the Atlantic Provinces 9 per cent to \$436,000,000 from \$400,000,000.

January-May totals follow by economic areas: Atlantic Provinces, \$2,000,000,000 (\$1,703,000,000 a year earlier); Quebec, \$23,-646,000,000 (\$18,924,000,000); Ontario, \$35,-348,000,000 (\$29,660,000,000); Prairie Provinces, \$11,526,000,000 (\$9,345,000,000); and British Columbia, \$5,909,000,000 (\$4,861,000,000).

* * *

ADVISER ON DOCKSIDE SAFETY: Captain W.E. Harrison of the Department of Transport's Steamship Inspection Service will act as an adviser on dockside safety to the International Labour Organization conference in Geneva this fall, it was announced in Ottawa.

Captain Harrison, a specialist in nautical matters has been with the Transport Department since 1948 as a steamship inspector dealing with the implementation of the regulations governing the safe operation of ships.

The I.L.O. is planning two consecutive meetings later this year, the first on standardization of cargo gear certificates and the second on a code of practice on safety and health in dock work.



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THE FUTURE OF THE CANADIAN INDIAN

EVENTFUL INTEGRATION AIM: The Honourable J.W. Pickersgill, Superintendent-General of Indian Affairs, recently spoke to the Canadian Club of Ottawa on "The Future of the Canadian Indian".

Some portions of this address follow:

"...Today the Indian population of Canada without any immigration is increasing faster than the rest of the population with the very considerable addition resulting from immigration.

"This increase in numbers is just one of the many reasons why a new policy for the Indians simply had to be devised after the Second World War. . .

"The broad terms of our new policy were set out by the present Prime Minister in November, 1949.

"Mr. St. Laurent said it was our aim: 'to have the Indian affairs branch administered in such a way as to bring the original inhabitants of Canadian territory to citizenship as quickly as that can reasonably be accomplished'.

"Technically, of course, the Canadian Indians were already citizens of Canada.

"But they are citizens with a difference.

"The Indians have privileges which other Canadians do not have, and other citizens have privileges and responsibilities which are not shared by the Indians.

"No sensible person wants to change that situation by any form of pressure or coercion.

"I think perhaps I should pause here to explain just what the enfranchisement of an Indian means, because I know there are many well-informed people who are somewhat confused by the term.

"Enfranchisement does not mean just giving the vote to Indians."

"It means changing their legal status from the status of Indians under the Indian Act to the status of ordinary citizens in all respects.

"Under the present Indian Act, it is possible for an Indian to retain his status as an Indian and to secure the vote in Federal elections.

"It is also open to him to apply for full enfranchisement, and when he does so the Superintendent-General has the responsibility of deciding whether that particular Indian is sufficiently advanced to look after himself and his family without the protection and the assistance afforded under the Indian Act.

"In the six years since the Department of Citizenship and Immigration was established, well over 4,000 Indians have been enfranchised, either as individuals or as family groups.

"There is also provision in the Indian Act for the enfranchisement of whole Bands of Indians.

"Up to now, no band has been enfranchised as such, but at the present time applications

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THE FUTURE OF THE CANADIAN INDIAN

(Continued from P. 1)

for enfranchisement from two complete Bands, The Metlakatla Band in British Columbia and the Michel Band in Alberta, are receiving active consideration.

"Indeed I do not believe that any Canadian should be fully satisfied with our Indian policy until the day comes when all the Indians from coast to coast and from the American border to the Arctic have been integrated with the rest of the population..."

"But enfranchisement cannot be forced.

"The Indians have to be encouraged and helped to prepare themselves for enfranchise-
ment so that, when they are enfranchised and
on their own, they will be able to hold their
own on reasonable equal terms with other
Canadians.

"And that, unfortunately, far too many of
the Indians could not do today. Far too many
of the Indians in Canada have a standard of
living below that of most of the rest of the
population.

"And, what is even more serious, the traditional means of livelihood of the Indians have not expanded as fast as the Indian population.

"Indeed, these traditional means of liveli-
hood are not capable of much expansion and, in
some areas, far from expanding, they are
actually contracting.

EMPLOYMENT PROBLEM

"That is true even in the North where the Indians do not usually live on reserves but are still mainly nomadic, and where their customary livelihood is derived almost entirely from hunting, trapping and fishing.

"Only a limited number of people can make a living from these occupations, even in huge areas.

"That is why we have to face the problem of finding alternative means of livelihood for part of the growing population of Indians in the North unless we are prepared to let these Indians become mere pensioners of the Government..."

"Our experience is that the Indians them-
selves - most of them - really want to work
for their living, though in many cases they
cannot see much sense in going on working to
earn extra money after their ordinary needs
and wants have been met.

"In seeking new occupations for Indians,
there are two problems to be met.

"One is to find useful and gainful employ-
ment for the Indians who can no longer make
their living in traditional ways; and the
other is to give the Indians the incentive to
work regularly and continuously when work is
available.

"The only way I know to meet both problems
is to encourage the Indians to improve their
standard of living..."

"Indian labour can make an increasing and a substantial contribution to the stabilization of logging, lumbering and mining operations in northern areas where it is often difficult to attract workers from more settled parts of the country.

"I now make it a practice, whenever em-
ployers from any part of the country come to
me for assistance in securing immigrants for
particular kinds of work, to ask them if they
have tried to use Indians..."

"Now, of course, we in the Indian Affairs
administration recognize just as much as
employers do that it is not going to be easy
for adult Indian workers to adapt themselves
to new and strange types of employment, but we
believe that the young people coming out of
school can be trained just as effectively as
other Canadians, and it is for the growing
numbers of young Indians that we have the most
pressing need to find a new place in our econ-
omy and in our society..."

"For the past seventeen years, the Indian
Affairs Branch has conducted, in co-operation
with the Provincial Governments which were
willing to participate, a programme of re-
habilitation of trapping areas and conserva-
tion of fur-bearing animals, which has given
some measure of economic security to the trap-
pers in those provinces.

"But I think we have to face the fact that,
so long as the Indian population continues to
grow, some northern Indians will have to move
southward if they are to be self-supporting
and to contribute to the economy.

QUICK CHANGES DIFFICULT

"Now it is usually pretty hard for the
Indians to move in one single generation from
nomadic life in the North to industrial em-
ployment in large urban areas.

"We are seeking, therefore, to find a
transitional stage.

"This year we are actually giving a number
of young Indian boys short courses in the
agricultural schools in Alberta with a view to
encouraging them to take employment on farms
where they can learn farming in a practical
way.

"There is, of course, a shortage of farm
labour in Canada, and I am convinced that this
is a long-term shortage and one that we cannot
hope to meet through immigration..."

"We intend to take the greatest care to
place the young Indians who have taken these
courses with the kind of farmers who will
guide and encourage them, and be prepared at
times to overlook the lack of skill and ex-
perience which will be inevitable while they
are learning....

"We are also, in Alberta, training Indian
girls in the rudiments of household science,
with a view to equipping them to take employ-
ment as domestic workers or as workers in
hospitals and institutions.

HMCS LABRADOR READY FOR ARCTIC: Ten civilian scientists will be aboard the Royal Canadian Navy's Arctic patrol ship, HMCS Labrador, this summer during her third annual voyage in northern waters.

Prior to the ship's departure from Halifax early in July, the scientists will embark to conduct a programme of northern maritime studies for the Royal Canadian Navy and the Hydrographic Service of Canada. This programme has been co-ordinated and, in part, arranged by the Geophysics Section of the Defence Research Board.

The Labrador for the second successive year will take part in the seaborne supply of Distant Early Warning (DEW) Line sites in the Eastern Arctic. Her principal duties in this connection will include the exploration and charting of navigable routes, survey and selection of landing beaches, and the escort of supply convoys to their destinations.

The civilian scientists will carry out a programme of studies and research planned both to provide direct support to the Labrador's main mission, and to add further to the gradually increasing fund of knowledge and data concerning Canada's Arctic regions.

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ENERGY SOURCES IN CANADA: Total net consumption of energy sources in Canada, including use of raw materials such as coke used in blast furnaces, amounted to 2,265 billion British thermal units in 1952 as opposed to 2,019 billion in 1948 and 1,315 billion in 1929, according to a new reference paper on energy sources in Canada just released by the Dominion Bureau of Statistics. This was equal to 157 million British thermal units per head of population in 1952 (157.4 in 1948 and 131.1 in 1929). When uses as raw materials are excluded, the estimated net consumption of energy was 150.5 million British thermal units per head in 1952 (151.6 in 1948 and 128.2 in 1929). Of course, the slight decrease in the amount of energy used per head between 1948 and 1952 does not necessarily mean that the amount effectively applied per head decreased.

Between 1948 and 1952 there was a considerable change in the types of energy sources used, with the proportion applied by petroleum fuels and electricity increasing. The same years saw a change towards wider use by final consumers of manufactured fuels, as opposed to unmanufactured ones. This was because of the decreased use of coal and the increased use of petroleum products.

This new reference paper brings together material from a number of Dominion Bureau of Statistics sources and presents the figures in the form of balance sheets for individual fuels. For each year there is also a single table which shows the supply and distribution of all types of fuel and electricity. This represents a new departure in the presentation of commodity statistics in Canada.

For the main tables in the reference paper the quantities of fuel and electricity have been converted from their original units of measurement, such as tons, gallons or kilowatt hours, into British thermal units. By using one unit of measurement for all the commodities, it was possible to add them up, thus making a further consolidation of the statistics possible.

Canada was self-sufficient in electricity, fuelwood, natural gas and manufactured gas in 1952. Canadian refineries supplied over three-quarters of the country's need for liquid petroleum products other than liquefied gases and Canadian wells provided 44 per cent of their feed. At the same time, domestic sources furnished over three-quarters of the coke from coal, and home production supplied between 42 per cent and 50 per cent of the requirements of other fuels.

Striking increases occurred between 1948 and 1952 in the Canadian production of crude petroleum and its products. Output of electricity showed a substantial increase, while gas both natural and manufactured, showed a moderate rise. The production of coal and of fuel-wood declined.

MORE THAN TREBLED

The proportion of the country's supply of crude petroleum which came from Canadian wells more than trebled between 1948 and 1952. The available supplies increased by 57.2 per cent during this period and most of the increase was met by a gain of 403 per cent in the output from Canadian wells, although imports also increased. This increase in supply went to meet increased demand from Canadian refineries, which increased their input of crude oil by 58 per cent to 4,885,000,000 gallons in 1952 from 3,092,000,000 in 1948. This increased input was associated with a rise of 66.3 per cent in Canadian production of gasoline and naphtha, 132.6 per cent in petroleum coke, 244.2 per cent in liquefied petroleum gases and 68.2 per cent in other petroleum fuels.

Canadian refineries increased their share in the domestic market for gasoline and naphtha, liquefied petroleum gases, and petroleum coke, but met a smaller part of the demand for other petroleum fuels in 1952 than in 1948. One reason for this was that the economy called for a 55.2 per cent increase in the supply of gasoline and naphtha over the four years, while the supply of other petroleum fuels went up still more by 80.9 per cent. Imports of gasoline and naphtha went down, but imports of fuel oil went up.

Output of natural gas increased 13.3 per cent from 1948 to 1952, increasing faster than the supply retained in Canada. In the case of manufactured gas, Canadian plants are the only source of supply, their output going up 13.8 per cent from 1948. This output was accompa-

(Continued from P. 3)

nied by a small increase of 2.8 per cent in the production of coke from coal. The domestic supply of coke from coal decreased 0.9 per cent, owing to an increase in exports.

Canadian production of coal, excluding briquettes, declined about 5 per cent between 1948 and 1952, but not as fast as the apparent available supply, which fell about 10 per cent. Production of fuelwood approximated Canada's requirements. It dropped close to 16 per cent from 1948 to 1952. Production of electricity in Canada increased almost 40 per cent between 1948 and 1952.

Some of the commodities concerned were used to make other fuels or electricity. For instance, nearly 19 per cent of the apparent available supply of coal in 1952 was used in the manufacture of briquettes or coke and gas, or burned by central electric stations. In 1948 the figure was 15.4 per cent. Of the supply of crude petroleum, measured consumption in the energy-producing sector was 99.3 per cent in 1952 (98.8 per cent in 1948). For natural gas the figure was 15.8 per cent (12.9 per cent in 1948); manufactured gas, 35.2 per cent (33.6 per cent); coke, excluding petroleum and pitch coke, 7.7 per cent (9.6 per cent); petroleum coke, 11.6 per cent (2.5 per cent); liquefied petroleum gas, 18 per cent (0.8 per cent); and electricity, 1 per cent (1 per cent).

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SEAWAY PROSPERITY FOR MONTREALERS: "The prosperity which Montreal will know may be likened to a drop of oil spreading on a pool of water. The massing of population which has led to the prediction of some three and a half million inhabitants within the next generation and which will be continually strengthened by the economic benefits of the Seaway, will be a source of new business, of opportunity for work and for wealth in all the St. Lawrence area," stated the Honourable Lionel Chevrier, president of the St. Lawrence Seaway Authority in Montreal recently.

He was addressing a convention of managers and secretaries of the Province of Quebec Chambers of Commerce.

"The metropolitan area" added Mr. Chevrier, "situated at the entrance to the Seaway channel, is a vital centre not only for railway, river, seagoing and airline communication but also for natural resources. Thus we have a most important labour market within a radius of some 75 to 100 miles. Making its way through such an economically favoured area the Seaway will stimulate growth along its course. The Montreal complex will become the receiving and distribution centre of natural resources of Eastern Canada. The entire region as far as Quebec cannot fail to benefit. The reason is that this is the time of industrial decentralization."

Stressing then that the development of primary industry fosters the quick growth of secondary and conversion industries Mr. Chevrier declared: "Where would these industries locate if not at those centres where there is a labour supply, power and a communication network. Thus the progressive spreading out of Montreal will mean agricultural and industrial production increase for all the area of which the metropolis is the natural economic centre in this part of Canada."

The speaker then undertook to explain to his audience the major aspects of the St. Lawrence Seaway project of which a part is the considerable hydro-electric development in Ontario.

"In the Province of Quebec," he said, "the plans decided upon by the St. Lawrence Seaway Authority make possible the production of 1,200,000 horse power of electrical energy in the Lachine Section, whenever the Province wishes it. At Beauharnois, the power-house now produces 1,350,000 horse-power and the Province of Quebec is taking steps to increase this production by 750,000 horse-power. We are co-operating with the Province in this new development."

After having reviewed the present state of the works in the five sections of the Seaway, Mr. Chevrier told the heads of the Chambers of Commerce: "Such is the instrument which the Canadian Government is placing in the hands of our country. It is not designed for the good of any special region, to the detriment of any other, but for the benefit of the entire country. Nonetheless, it follows naturally that the areas bordering the river will be the first to draw from it the best possible advantage."

"In fact," Mr. Chevrier concluded, "the secretaries and managers of the Chambers of Commerce should not only be supplying answers on local industry, but should also be able to interpret knowledge of a wider scope to orient their district economy for their best interests and future needs."

* * * *

TEACHERS FOR ARMY SCHOOLS ABROAD: Fifty-five Department of National Defence school teachers from almost all provinces of Canada are scheduled to sail for Europe in August to take up two-year teaching appointments in Canadian Army schools in Germany and Belgium, Army Headquarters announced recently.

Fifty-one of the teachers will leave Quebec City aboard the SS "Arosa Sun" August 18 and are scheduled to arrive at Bremerhaven, Germany, August 28. The other four will sail earlier, August 3, for Southampton aboard the SS "Homeric".

In all, the Army has 81 Canadian teachers in Germany and Belgium. They are responsible for the education of some 1,600 children of soldiers serving with the 2nd Canadian Infantry Brigade Group and supporting units from kindergarten to the Grade 13 level.

CONSUMER PRICE INDEX RISES: Canada's consumer price index advanced 1 per cent from 116.6 to 117.8 between May and June this year. This was the largest monthly increase in the index in several years and compares with an index of 115.9 a year ago. Although four of the five component groups moved higher in the current period, the increase in the total index was almost entirely due to a sharp advance in the food series.

Foods rose 2.9 per cent from 109.3 to 112.5 on the strength of an exceptionally strong seasonal increase in potatoes, combined with increases in coffee, fresh fruits and vegetables, and all meat items. The shelter index moved up 0.4 per cent from 132.1 to 132.6 as a result of increases in both the rent and homeownership components. The advance in the rent index reflected changes associated with the traditional May first moving date. The household operation index increased fractionally from 116.5 to 116.7 under the influence of higher prices for laundry and dry cleaning, floor coverings, utensils and equipment, and shoe repairs. Further seasonal declines in coal prices were reported.

The "other" commodities and services index moved from 120.5 to 120.6 as further price increases for men's haircuts, as well as higher quotations for personal care items and bus fares, proved more important than minor decreases for camera film and gasoline. Clothing decreased from 108.8 to 108.6 as lower prices for women's and children's wear groups were only partially offset by increases for men's shoes

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CANADIAN AID TO INDIAN HYDRO PROJECT: The Canadian Government will provide assistance to India under the Colombo Plan to help finance the construction of a new hydro-electric project on the Kundah River in the state of Madras. Negotiations are currently taking place between the two governments and it is expected that an intergovernmental agreement recording these understandings will shortly be signed in New Delhi. The project was formally inaugurated at a ceremony held on June 29.

This project, which is included in the second five year plan, is designed to provide urgently required power for the growing needs of the state of Madras. The demand for power in this part of India has been increasing rapidly in both the industrial and agricultural sectors. It is expected that the first stage of the project which will be completed in 1960 will add 145,000 kilowatts to the electricity resources of the state, thereby helping to improve substantially the standards of living and reduce the threat of famine from drought.

The first stage calls for the construction of three dams on the adjacent Emerald, Avalanche and upper Bhavani Rivers and two power plants on the Kindah River itself.

Canada's contribution to the co-operative endeavour will cover the external costs up to a maximum of \$20 million. It will include the provision of turbines and generators and other power house equipment, substation and transmission equipment for the transmission line and specified materials and construction equipment for the civil works. In some instances, when practicable, some of the equipment may be fabricated in India at Indian expense from materials supplied from Canada. Canada will also provide the services of Canadian consulting engineers to supervise certain aspects of the work and assist the Indian Department of Electricity in the execution of the project.

India will be responsible for the construction of all civil works, the provision of labour and local materials, and the supply of housing, roads and other facilities at the site. To help India meet the local costs of this project Canada has agreed to the use of counterpart funds available in rupees, resulting from Canadian aid to India under the Colombo Plan.

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\$2 MILLION PAYROLL AT GAGETOWN, N.B.: Payroll for soldiers of the 1st Canadian Infantry Division in their summer concentration at Camp Gagetown, N.B., will be close to \$2 million, Army Headquarters announced recently.

Seventeen paymasters of the Royal Canadian Army Pay Corps and a staff of 51 men of the corps will be responsible for the huge financial job of handling pay and accounting procedures for the concentration of some 11,000 troops.

In addition to paying the men, the RCAPC will also be responsible for the accounting for non-public funds of some 86 officers' and sergeants' messes and men's canteens during the concentration.

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CANADIANS FOR EDINBURGH FESTIVAL: Transportation expenses for the trip of the Stratford Festival company to appear at the Edinburgh Festival this summer will be underwritten by the Toronto Daily Star.

This is the first time a Commonwealth or North American theatrical group has been invited to take part in the Edinburgh Festival. Their major production will be Shakespeare's "Henry V", currently playing at Stratford, directed by Michael Langham, with Christopher Plummer in the title role. They will also present four performances of "Oedipus Rex", performed at the Stratford Festival last season, directed by Tyrone Guthrie with Douglas Campbell in the title role. The fifty member company will fly by charter plane from Montreal to Edinburgh on August 22, returning by charter flight on September 17.

THE FUTURE OF THE CANADIAN INDIAN.

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"Here again we are going to try to place the trained workers in rural areas and small communities, because we believe the transition from nomadic life will not be so difficult as it would be in large cities.

"And we are going to take the greatest possible care to select sympathetic employers for these Indian girls.

"There is no question in my mind that the most important of all the activities of the Indian Affairs administration, so far as the future is concerned, is education.

"Traditionally, Indian education was carried on in residential schools, conducted under the auspices of the churches, and I cannot find words adequate to praise the devotion of the teachers in these schools over the years.

"Residential schools still have a large place in Indian education, and they will continue to have a large place as long as many of the Indians live nomadic lives, as long as the standard of living of many Indians is low, and as long as there are many Indian children who are orphans or whose families have been broken up. And one thing that I hope may be possible over the next few years is to have many of these Indian orphan children adopted by other Canadians...

"But for Indian children - and they are the majority - whose parents are living together in good homes, we believe the children are happier in day schools, and we believe, too, they will be better able to face the adult world if they have enjoyed normal family life during their school years.

"We are convinced that, wherever circumstances make it possible, it is better for

Indian children to attend the same schools as other Canadian children, and to associate with other Canadians in the same classrooms and on the same playgrounds.

"Education appears to be the main key not only to useful employment but also to the eventual integration of the Indians.

"We are proposing some amendments to the Indian Act at the present session of Parliament, and last December I arranged a meeting with representative Indians from every part of Canada to discuss the changes we are considering...

"The Indians, of course, will not have achieved the full citizenship to which the Prime Minister referred in 1949 until they have the right to vote in Federal elections.

"At the present time, Indians who are veterans of either of the great wars, and their wives, have the right to vote, and any Indian may acquire the right to vote by renouncing his right to exemption from certain taxes on his personal property and on income earned on the Reserve.

"I think most of us feel that, just as there should be no taxation without representation, so also there is something repugnant about the idea of representation without an equal obligation to bear the burdens of citizenship.

"This is one of the problems that will have to be solved in the future...

"If our Indians are to have their rightful place in Canadian life, I am convinced that they must be encouraged to accept just as much responsibility as they seem able to bear, and that the more responsibility they can accept for their own affairs, both individually and as Bands, the happier they will be and the greater will be their contribution to our common Canadian life."

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A COMPELLING DETERRENT

NOT AN EASY TASK: "As long as the threat of war continues, our best hope is, undoubtedly, in the maintenance of a strong compelling deterrent," said the Minister of National Defence, Mr. Ralph Campney in a speech delivered in the House of Commons on June 20.

Mr. Campney said, in part:

"It is now eleven years since the first atomic explosion marked a new departure in warfare - more startling, perhaps, than any other since gunpowder first came into use some 700 years ago.

"And then, almost before we could begin fully to comprehend the terrifying possibilities of atomic weapons, the H-bomb added a vastly more far-reaching dimension of terror and destruction - so comprehensive indeed that we cannot yet begin to assess its full magnitude.

"No simple, clear-cut, complete answer to the defence problem thus poised has yet been found. And, frankly, as far as I can see, none is yet in sight.

"Is it any wonder then, that throughout the free world there is dispute and controversy as to how this problem can be resolved? Is it any wonder that protagonists of this view or that of this service or that service, of this defence element or that defence element, are so eagerly and at times vociferously projecting their particular views on a confused and worried public?

"This active preoccupation with finding answers to the new weapons may ultimately bring us to the point where defence catches up with the offensive - now so far out in front in the race. And I suppose that, if this balance is redressed, as it has been from time to time in days past, war must become an even less attractive adventure to aggressively-minded nations than it is today.

"No nation ever wants to risk defeat - and that revulsion is made so much the stronger by awareness of how terrible defeat in thermo-nuclear war could be. And yet the threat of war continues. As long as this is true, our best hope is, undoubtedly, in the maintenance

of a strong compelling deterrent. Primarily, of course, this is based on the strategic air force of the United States - now being augmented by that of Great Britain.

"But, to be effective, such strategic air forces must be supplemented by warning lines to enable their retaliatory planes to get off the ground immediately an attack is launched on the free world anywhere.

"They must also be supplemented by fighter air power to blunt the edge of the thermonuclear attack.

"They must also be supplemented by well-trained, efficient ground forces to form a shield to prevent Europe being suddenly overrun by ground forces of the aggressor.

"All these factors are just as much part of the deterrent as the thermonuclear retaliatory forces themselves.

"To maintain the deterrent power of the free nations will not be an easy task, essential though it is to our survival. Paradoxically, as the existence of the deterrent continues to protect the peace, the continuance of peace may itself tend to soften up the very deterrent force on which it depends.

"For it tends to give credibility to smiling assurances and friendly, folksy visits, all propagating the view that the day of world brotherhood has dawned at last - and suggesting that we can now safely set aside our defence programmes (with their heavy costs) and concentrate on the pleasant task of raising our material standard of life.

"To thus relax our defence effort might be an inviting policy for the free nations, but it would be a very dangerous policy. We would be foolish indeed to neglect those defensive measures that have created the deterrent that has so far kept us safe from major war. Rather, we should make sure that those defensive measures are kept bright and strong....

Air Defence: "...Change has been operative in many fields of defence activity in Canada, but particularly so in our air defence arrangements.

A COMPELLING DETERRENT

(Continued from P. 1)

"Arising from continuing reassessment of Canada's part in the joint United States-Canada air defence programme, I can announce two major developments: the reorganization of our Auxiliary Air Force, and an increase in the number of our regular interceptor squadrons.

NEW SQUADRONS

"Last year I drew the attention of honourable members to the studies being undertaken by the RCAF to determine whether it was practicable to expect the part-time aircrew of the Royal Canadian Air Force Auxiliary, however skilled or devoted, to operate all-weather jet interceptors of the complexity of the CF-100 in the air defence role. This important question, in relation to the overall problem of air defence generally, has continued to receive thorough reassessment by the RCAF in the light of the thermonuclear air threat to this country.

"This threat is such that defending forces must be able to operate in all conditions of weather by day or by night; must be on immediate alert status, and be trained to a very high standard of proficiency; and must, in peace time, be deployed at their war stations. Our experience now forces us to the conclusion that these conditions are far too exacting to impose on Auxiliary Forces who are engaged on their civilian duties throughout the week and whose flying therefore is limited mainly to week-ends.

"Consequently, the ten auxiliary squadrons that were to have been re-equipped with CF-100 all-weather fighters will no longer comprise part of the first-line forces in the North American air defence system.

"Other highly important duties will be assigned to these auxiliary squadrons, the personnel of which have constituted such a useful and active reserve force to the RCAF. Six of these squadrons will be re-equipped with Sabre day-fighter aircraft and T-33 jet trainers, and their personnel will progress from the T-33 to mastery of the Sabre jet.....

"The conditions that have brought about the withdrawal of these auxiliary flying squadrons from the first-line air defence force necessitate increases in the regular force units assigned to this role in Canada. Accordingly, I can now announce that steps will be taken to establish, over a period of time, three new all-weather interceptor squadrons, equipped with CF-100 aircraft. This increase, with the 12 squadrons in Europe, will bring to 24 the number of regular force fighter squadrons.

"The size and composition of Canada's contribution to the continental air defence system continues, of course, to be under review.

"Towards the end of this year we will replace one of our Sabre squadrons in Europe

with a squadron equipped with CF-100 all-weather interceptor aircraft. And at intervals thereafter, during 1957, three more Sabre squadrons will be thus replaced. This will fulfil our undertaking to NATO to provide four squadrons of all-weather interceptors. Throughout, our commitment in Europe remains at 12 squadrons.

"As for new equipment, the Air Force, working in conjunction with the Defence Research Board, is making good progress with its new supersonic delta-wing all-weather fighter-interceptor, the CF-105 (being developed by A.V. Roe, Limited) which, with the very advanced and powerful PS 13 engine being designed for it, is expected to constitute a very fast and formidable fighting plane.

"The development and preproduction work at Canadair Limited on the CL 28 - the new maritime anti-submarine aircraft developed from the Britannia aircraft - is also proceeding very well, and the prototype is expected to fly next spring.

DIVERSIFIED JOB

"By the production of successively improved marks, both the Sabre and the CF-100 are still, and will continue for some time to be, of their sort and for their purpose, first-class and effective fighter planes.

"The job of the RCAF is certainly now a widely diversified one - including the interception of enemy bombers, the transport of troops and supplies, the support of anti-submarine activities and defence of shipping operations....

"The Royal Canadian Air Force is also responsible for the building of the Mid-Canada line, one of the greatest construction projects ever undertaken in Canada and one that - apart altogether from its defence implications - is dramatically opening up the Canadian north.

"...On both the DEW line, being built largely by Canadian contractors working for the United States Air Force, and the Mid-Canada line, being built by Canada, admirable progress is being made. These are projects of great difficulty and magnitude - costly, but we believe, worth the cost.

"For they will buy us time - time to get the big United States deterrent force of bombers with their nuclear weapons winging away on their missions should the need arise, time to get our defences activated, time to prepare our people for impending attack.

"Another important purpose of this system is to alert our sister NATO nations if the Canadian north should be chosen as the first point of any attack. It is hoped that in the near future the Early Warning system of North America will be linked up with an early warning system in Europe, to which NATO is giving high priority, thus forming an integrated comprehensive early warning system covering the whole of the NATO area....

CANADA-AUSTRIA VISA AGREEMENT: A non-immigrant visa agreement has been signed in Ottawa by the Secretary of State for External Affairs, Mr. L.B. Pearson, and the Austrian Minister to Canada, Dr. Kurt Waldheim. The agreement will come into force on July 1, 1956.

Under the terms of the agreement, Canadians who are in possession of valid passports may visit Austria up to a period of three months without previously obtaining an Austrian visa. Austrians, who are in possession of valid passports, will be issued free visas valid for an unlimited number of entries into Canada during a period of twelve months from date of issue of such visas.

With the signing of this agreement, Canada has completed non-immigrant visa modification agreements with the Republic of Austria, Belgium, Denmark, France, the Federal Republic of Germany, Italy, Lichenstein, Luxembourg, Monaco, The Netherlands, Norway, Sweden, and Switzerland whereby Canadian citizens are permitted entry without visas. In addition, agreements have been entered into with Finland, Israel and Japan under which Canadian citizens are granted visas free of charge for entry into these countries.

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CURRENT TRADE DEFICIT AT NEW PEAK: Canada's current deficit from transactions in goods and services with other countries rose to a new peak for the first quarter of \$345,000,000. This compares with \$174,000,000 in the first quarter last year and \$255,000,000 in the fourth quarter. This is about the same size as the highest quarterly deficit yet to appear which occurred in the second quarter of 1951. In relative terms too, the deficit is much higher than last year when it averaged almost 12 per cent of current receipts. At 25 per cent of current receipts it now represents almost the same proportion of current receipts as in 1930.

The new factor contributing to the large deficit was the massive size of the import balance on commodity account which amounted to \$190,000,000. The deficit from all other current transactions of \$155,000,000 was slightly less than in the corresponding quarter last year. Until recently the principal elements in the current deficit in the past few years have originated in these "invisible" transactions in the absence of surpluses on commodity account. But since the fourth quarter of 1955 the appearance of a large import balance on commodity account has contributed greatly to the over-all current deficit and in this year it has been the major element for the first time since early in 1951.

Unusually strong demands, both in Canada and abroad, continued to be the pre-dominant influence upon the shape of Canada's international accounts in the first quarter. As a result of pressures arising from these demands, new records were reached in the volume of both

total transactions, and some major groups of transactions. But the widening imbalance appears to be related to greater increases in some aspects of Canadian economic activity than occurred abroad and a greater flexibility of imports which made this possible. Canadian imports rose much more rapidly than Canadian exports. Growth in some major groups of exports has been limited to increases in capacity.

The high level of activity in Canada has been readily translated into generally increased demands for industrial materials and consumer goods. But the predominant increase in demand has been for machinery and equipment and other types of goods related to investment. In both cases, the pressure on domestic resources has resulted in an extraordinary diversion into imports.

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RCAMC TO HANDLE "ATOMIC" CASUALTIES: Proper handling and treatment of casualties sustained in an atomic war will be the training objective of the Royal Canadian Army Medical Corps at Camp Gagetown, New Brunswick this summer during the concentration of more than 10,500 men of the 1st Canadian Infantry Division.

In conditions approximating actual atomic action, the RCAMC will handle theoretical "casualties" suffering from radiation, burns and blast injuries during Exercise "Morning Star".

In addition to treating these exercise "casualties", the RCAMC will also have practical responsibility for the health and physical welfare of this biggest peacetime concentration.

The 1st Canadian Field Ambulance, from Camp Borden, Ontario, commanded by Lieutenant-Colonel Roy A. Smillie, of Toronto, will act in its normal operational role within the Division. It will handle all casualties - real and simulated - including atomic "victims". The unit will move the casualties back from brigade areas to advanced dressing stations or to the field hospital.

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POLIO CASES LOWEST IN FIVE YEARS: According to the fourth annual report released by the Dominion Bureau of Statistics, the number of cases of epidemic poliomyelitis in 1955 was 1,020, a drop of 57 percent from the preceding year's 2,390, and a steep decline from the 1953 all-time high of 8,878 cases. All provinces except British Columbia reported fewer cases than in 1954, the larger declines occurring in Prince Edward Island (87 per cent), Quebec (84 percent), and Alberta (59 per cent). British Columbia reported a 6 per cent increase over 1954 with a total of 230 cases. Canada's polio rate per 100,000 estimated population dropped to 6.5 from 15.8 in 1954 and 60.2 in 1953. Among the provinces the highest incidence rate was recorded in Alberta with 20.2, while Quebec had the lowest with 2.7.

A COMPELLING DETERRENT

(Continued from P. 2)

"New Look" and the Army: "...For many months a number of the most senior officers in the Canadian Army have been examining the organization of field formations that would best meet Canada's needs in the light of our commitments, both present and possible, and under conditions of either so-called 'conventional' or nuclear warfare.

The Army has also been closely following recent reviews of army organization in the United States, the United Kingdom, France and other countries, which are intended to take account of new weapons and conditions of war, and the Army has had observers at large-scale NATO divisional tests in Europe.

MOBILITY NEEDED

"It is generally accepted that, in the use of ground forces, we must work toward a greater degree of flexibility and increased mobility. In particular, practical assessments are being made by the RCAF and the Army of those types of aircraft that would be most suitable for rapid deployment, supply, and support of Canada's ground forces.

"As the committee knows, Canada for some time has had a Mobile Striking Force of three battalions of infantry with supporting arms and services, largely trained as parachutists and transportable in C-119 aircraft, known as 'flying box-cars'. The established role of this force has been to deal with possible small diversionary raids in the Canadian north.

"Experience gained in exercises indicates that parachuting in the Canadian north is not an entirely satisfactory way of getting troops on the ground. Accordingly, we are giving more attention to the development of new types of aircraft with short take-off and landing capabilities, with a view to reducing the parachute element of the Mobile Striking Force and at the same time increasing its air-portable capacity.

"This subject is still under intensive study, but it is possible that Canada's field force may be organized and trained so that any part of it may be assigned to the role which is now exclusive to the Mobile Striking Force.

"In other words, the long-term aim will be to train and equip the Army more and more as an air-portable force, with parachute elements continued in some units....

"I am glad to be able now to announce to the committee that it is intended to form or activate a third armoured regiment. This, with the two regular armoured regiments now in being, will enable us to field the 1st Canadian Infantry Division with three brigade groups, each consisting of three battalions of infantry, one regiment of artillery, and one regiment of armour, with signals, engineers and other supporting services.

"This conforms with the new type British infantry division and will make for flexibility of movement and provide a division, the components of which will be capable, on occasion, of independent action.

NEW EQUIPMENT

"Another important new development on which the Army is working is an armoured amphibious 9-ton tracked carrier. This will be an all-purpose tracked chassis adaptable to mounting field guns as well as lighter weapons, and also capable of moving 10 or 12 men across rough terrain at 20 or 30 miles an hour. It will be resistant to small arms fire and splinter, and suitable in design and weight for air transport. Interest in the development of this most useful type of multiple-purpose vehicle is being shown by our NATO allies....

"The FN rifle, which takes the standard NATO round of ammunition, has been modified for Canadian use as a result of Canadian troop trials. The new rifle will be known as the FN-C1. Initial deliveries of this rifle from Canadian Arsenals plants are expected this year and will gradually replace the Lee Enfield .303 now in use.

"The programme for replacement of Second World War types of wheeled vehicles by modern and standardized military pattern types has been largely completed. The wartime Sherman tank has been replaced by the Centurion; the 2-inch mortar has been replaced by the 60-mm; the 3-inch mortar has been replaced by the 81-mm; the 25-pounder field gun has been replaced by the 105-mm howitzer; and the 5.5 medium gun by the 155-mm gun and gun howitzer.

"Personnel of the Army have been trained and are continuing to take courses on rockets and guided missiles and - although we are withholding expenditures on acquiring these types of weapons until development and trials have been carried further - we are keeping in close touch with the method of handling, the tactical use, and the employment of weapons in this field.

"Indicative of Armed Forces' interest in the new conditions of war, the Army's Radiation Detection Unit, with Navy and Air Force participation, has been in operation for several years. Over the past year, this unit has taken part in exercises both of the United States and the United Kingdom, where practical experience has been gained in detecting marking and decontaminating areas where atomic explosions have taken place.

"The work of this unit will greatly enhance the ability of the Canadian armed forces to operate under conditions of nuclear warfare....

Importance of Navy: "Turning next to the Royal Canadian Navy, there is less by way of change to report this year since the Navy has so recently reviewed its place in modern war, with sweeping changes in ship design, equipment and tactics.

A COMPELLING DETERRENT

(Continued from P. 4)

"But there is every evidence that this arm of our forces will continue to have an important place in our defence planning....

"Remembering that the submarine is primarily an offensive weapon, we are continuing to improve as rapidly as possible the anti-submarine capabilities of our fleet.

"To this end, we can look forward this year to the addition of about nine new operational ships to the fleet, and several supporting craft as well.

ADDITIONS TO FLEET

"The most noteworthy of the additions will be the commissioning of HMCS Bonaventure, a light fleet aircraft carrier of the latest design, which will replace HMCS Magnificent. The Bonaventure will be armed with the Banshee jet-fighter aircraft, which have begun to come forward, and the Canadian made CS2F anti-submarine aircraft. These fine modern aircraft will replace the Sea Furies and Avengers formerly in service.

"Other additions to the fleet will be three and possibly four destroyer escorts of the St. Laurent class, specially designed to meet the conditions of nuclear war....

"In summary, I would emphasize that we are vigorously pursuing our policy of enhancing anti-submarining capabilities of the Canadian Navy, which is its specialized NATO role.

Defence Research: "...Canadian defence scientists are keeping abreast of new developments in such vital fields as guided missiles, plane and jet engine design, nuclear explosions, fall-out and anti-submarine measures.

"Guided missiles are very complex devices, which require a variety of special skills and techniques in a number of engineering and production fields. These did not exist in Canada up to five years ago when the missile programme began. There are now, however, some hundreds of trained specialists available, so that Canada is in a position to carry out a selected guided missile through any or all its stages from development to production....

"In the anti-submarine field, the Board is completing the final stages of development of new submarine detection equipment for naval destroyer escorts, which will greatly increase their effectiveness. Research into other promising anti-submarine devices is also under way....

Mutual Aid: "Turning now to what Canada has done to support her NATO allies, I might here announce that, after training more than 3,800 aircrew, at a cost of \$328,000,000 to date, Canada's NATO Air Training programme is being reviewed and probably will be adjusted downward starting in 1958.

"The original plan was to provide trained pilots and navigators to build up the front-

line strength of aircrew in the NATO countries. This has now been achieved and the training of aircrew for replacement purposes can now be taken over by most of the NATO nations themselves.

"Besides what has been done to train NATO aircrew under Canada's mutual aid programme, this programme, since its inception in 1950, has done much to strengthen the defences of our allies in Europe. As their own capability increases, our programme of aid is being scaled downward. More and more, equipment supplied is from current production rather than from existing stocks.

"The value of mutual aid to our NATO partners now totals more than \$1,274 millions. This includes, as an example, the provision of more than 600 modern fighter planes and more than 1,000 aircraft engines....

Forces-In-Being: "To meet our commitments, both in creating the deterrent and in being able to react immediately if the deterrent fails, we must provide forces-in-being, completely trained, equipped and immediately ready.

"That is why Canada today has nearly 15 times as many forces-in-being as in March, 1939, while the number of our reserves has not changed substantially. In other words, our forces-in-being, which numbered 8,000 before World War II, now total 116,350; our reserves, at 55,000, are 1,000 more than in 1939.

"I might remind the committee that NATO places great emphasis on forces-in-being. This has been asserted again and again by NATO leaders.

"In 1939 we were quite unready for war. Today we have in full fighting trim an army brigade and an air division in Europe and at home a Mobile Striking Force and three infantry brigade groups in the Army; an effective air defence system and other supporting units with more than 3,000 planes in the Air Force; and a Navy with 40 fighting ships at sea, and a still greater number under construction or in reserve.

"Our services are well trained, well equipped, well disciplined. In character, in training and in resolution, we have as high a quality of serviceman as any country in the world....

Organizations for Peace: "In the difficult time since World War II, it has not been easy for the free nations to keep their freedoms intact. It has not been by chance, certainly, that this has been achieved. It has, indeed, been only because of the resolute determination of the free peoples working together toward a common end.

"As a partner in two great organizations looking to the maintenance of peace, the United Nations and the North Atlantic Treaty Organization, Canada has given abundant proof of her sincere desire to avoid war and of her active concern for the correction of conditions which might lead to war.

A COMPELLING DETERRENT*(Continued from P. 5)*

"Despite its failure to measure up to the first high ideals it set itself, the United Nations has helped to prevent and, at the least, to limit war. There is the historic example of Korea where a small group of Canadians still serve on, the rear guard of that valiant force that fought, successfully, to keep South Korea free.

"Canadian officers also, under United Nations auspices, are today serving the cause of peace in Indochina, in Kashmir and in Israel.

"The North Atlantic Treaty Organization is founded on the truth that in union there is strength. Canada subscribes to that truth. In stationing Canadian service men in France and Germany, in training aircrew from nine NATO countries here in Canada, and in welcoming United States troops to stand beside our own in defence of our common continental home, we give evidence of our conviction that, in the NATO family, a 'stay at home' policy and a 'visiting forces not wanted' policy have no place and, indeed, if given effect to, could endanger us all.

"The great defensive system that we have built in NATO with so much labour must not be allowed to fall into disrepair. Honest assessment of the world situation tells us that we cannot safely rest on what we have done. We must go on working together for the common good with undiminished zeal and determination...."

* * * *

NAMED DELEGATE TO ECOSOC: Mr. Lucien Cardin, M.P., Parliamentary Assistant to the Secretary of State for External Affairs, will be the Canadian Delegate to the 22nd session of the Economic and Social Council of the United Nations (ECOSOC) to be held in Geneva from July 9 to August 10. Canada was elected at the 20th session for a third three-year term, from 1956-1958, to the 18-member country council of ECOSOC.

The Canadian Delegation will include five alternates; Dr. R.A. MacKay, Permanent Representative of Canada to the United Nations, New York; Mr. Hector Allard, Permanent Representative of Canada to the European office of the United Nations, Geneva; Mr. A.J. MacEachen, M.P.; Dr. G.F. Davidson, Deputy Minister of Welfare, and Mr. A.F.W. Plumtre, Assistant Deputy Minister of Finance. Principal Advisor is Mr. A.A. Day of the Department of External Affairs.

The provisional agenda for the 22nd Session of the council includes a general review of the development and co-operation of the economic, social and human rights programmes and activities of the United Nations and the specialized agencies as a whole. A similar review was made at the main council meeting in 1955.

On the economic side, the major items include the world economic situation, the economic development of less developed countries, the financing of economic development, international commodity problems, the establishment of a world food reserve, and technical assistance. The main social subjects before the council will be an examination of the programme of concerted practical action in the social field of the United Nations and the specialized agencies, the international control of narcotic drugs, the report of the United Nations High Commissioner for refugees and the reports of the commission on human rights and the commission on the status of women.

It is expected that some items of the Council's agenda will not be taken up until the resumed 22nd session which will take place during or shortly after the eleventh regular session of the United Nations General Assembly this fall.

* * * *

FEDERAL AID FOR MENTAL HEALTH STUDIES: With the aid of National Health grants, further research into the significance of physical symptoms in certain cases of mental illness is to be carried out during the next two or three years, it is announced by the Minister of National Health, Mr. Paul Martin.

The Minister made known approval of contributions of nearly \$30,000 from the health programme's Mental Health Grant, for such studies to be carried out in the University of British Columbia's Department of Neurological Research, under direction of Professor William C. Gibson.

Mr. Martin said that the research will seek to find further evidence of the relationship between physical factors and certain types of mental illness. Skills and experience of the chemist, physician and laboratory scientist are to be combined in experiments which will carry on work initiated in this field at U.B.C. and in other research centres.

In requesting federal support of the project, British Columbia health authorities submitted that more precise knowledge of the changes to be found, in body fluids in mental cases would be invaluable in the diagnosis and treatment of sickness influencing personality and behaviour. The studies are to be carried on by Dr. R. Morrin Acheson, visiting researcher from Oxford University, England, with the assistance of experienced technicians and of medical students engaged during the summer months for this work. The inquiries will involve separation and identification of fluid components and attempts will be made to synthesize some of them for further research and for possible use in treatment aimed at restoring the disordered metabolism of mental patients.



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WHITE PAPER ON DEFENCE

OBJECTIVES OUTLINED: "The aim of Canada's defence programme and planning is to provide for the security of Canada. Under present and foreseeable conditions this can be done most effectively by close co-operation with our allies in the North Atlantic Treaty Organization, and especially with the United States in relation to the North American area. Our defence plans must also include a capacity to carry out obligations that may arise out of Canada's membership in the United Nations Organization", says a White Paper on "Canada's Defence Programme" tabled in the House of Commons on June 19.

"The primary object recognized by Canada and our allies is to prevent the outbreak of a third world war." The introductory chapter prefacing the body of the report continues as follows:

"This requires that there must be a powerful strategic bomber force, backed by the means to ensure that this force can be immediately effective under any circumstances, and supported by the forces-in-being required to blunt an attack by a would-be aggressor for long enough to permit the West's retaliatory forces to carry out their role. This combination of forces constitutes the best possible deterrent under present conditions.

"In recent months further series of nuclear test explosions by the United States, the United Kingdom and Russia indicate that continuing progress is being made in nuclear

weapons technology. There is also no doubt about the steadily improving ability of both East and West to deliver such weapons on far distant targets. These facts, however, do not alter the soundness of the defence policy being followed by Canada and our allies. Rather, they emphasize the urgent need to maintain our position of military preparedness in keeping with the priorities inherent in our aims and objectives.

"At the present time the retaliatory force of the free world is provided by bombers of the U.S. Strategic Air Command with nuclear weapons produced by the United States. This force is being supplemented by the United Kingdom's growing fleet of "V" bombers and by nuclear weapons being developed by that country. To ensure the effectiveness of the West's major deterrent, it is essential that early warning systems, air defence forces and extensive communication networks be constantly maintained at a high state of efficiency.

"Since the objectives of the Western Nations are purely defensive, the initiative to attack will always rest with an aggressor power. In the collective defence arrangements of NATO a proper balance must be kept between primarily nuclear forces and so-called conventional forces, the latter being required to act as a shield to prevent the overrunning of the NATO land areas, particularly in Western

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WHITE PAPER ON DEFENCE

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Europe. Accordingly, appraisals of new weapons, new strategical and tactical concepts, and demands for increased readiness, mobility and flexibility of forces make it evident that the defence programmes of NATO countries must, from time to time, be adjusted and co-ordinated. Similarly, within each country there must be a steady evolution of civil defence arrangements to reduce the effects of air attacks.

"In the current phase of collective security, Canada's principal support of the West's retaliatory striking power is our contribution towards early warning and air defence on this continent. Reasons of geography and strategy combine to make this an obvious and logical way for Canada to assist our allies in the maintenance of deterrent strength while also providing the essential element for home defence.

"Canada's naval role is the defence of our coastal areas, as always, and co-operation with our NATO allies in the defence of vital sea lines of communication, particularly in view of Soviet concentration on building up a large modern submarine fleet. Other elements in our defence programme provide for the training in Canada of Army and Air Force elements for commitments at home and abroad, and for the necessary command and administrative organization for the operation of the Services as a whole."

DEFENCE STRENGTH

"Our contribution of one infantry brigade group and 12 fighter squadrons to the NATO Integrated Forces in Europe has a significance greater than their numbers might suggest, partly for reasons of morale and partly because the present urgency is for highly trained forces-in-being, equipped with thoroughly modern weapons.

"As a result of the build-up in defence strength and organization during the past several years, Canada's Armed Forces are now more effective than ever before in our peacetime history. Present indications are that this substantial level of preparedness will have to be maintained for some years to come, so that we can continue to fulfil our role in the collective arrangements for deterring a major war, while retaining a capacity for carrying out such other tasks in the interests of peace as Canada may undertake."

Under the heading "Defence at Home" the document continues:

"Since a comprehensive air defence system in North America is vital to the maintenance of the deterrent, Canada and the United States work together in improving the scope and effectiveness of the system. In the light of the best military appraisals of the nature of the threat, manned interceptors will continue

to be essential for some time to come. At present nine R.C.A.F. regular squadrons are equipped with CF-100 jet interceptors for this purpose. Substantial improvements have been made in later versions of the CF-100 and measures are being taken for the introduction of air-to-air missiles. The CF-105 supersonic, all-weather jet is being developed to meet an urgent requirement in the next phase.

WARNING SYSTEMS

"Insofar as Canada is concerned, the principal elements in the continental warning systems are as follows: first, the Pinetree system, which ties in to the Canadian and United States air defence commands a basic radar warning and control system, and through extensive communications networks links up with Canadian and United States interceptor forces; second, the Mid-Canada Supplementary Warning Line, in the vicinity of the 55th parallel of latitude; third, the Distant Early Warning Line (DEW Line), roughly along the 70th parallel from Alaska to Greenland. In addition, warning coverage by seaward extensions is being provided by the United States to prevent outflanking of the overall continental defence system.

"As a result of Canada-United States agreements signed in Ottawa in June 1955, the United States has undertaken the responsibility for construction and initial operation of certain additional radar stations in the southern part of Canada to augment facilities in those areas, and of others in the Newfoundland-Labrador area for similar reasons.

"Construction of the Mid-Canada Line under Canadian direction and of the DEW Line under United States direction is proceeding according to schedule. Arrangements are now being worked out for civilian personnel to undertake the bulk of the maintenance and manning for both lines. The costs for building and manning the Mid-Canada Line are being met by Canada; the R.C.A.F. will be responsible for the operational aspects of the Line. Similarly, the United States is undertaking financial responsibility for manning the DEW Line during the initial three-year period; at each main station there will be a joint Canada-United States military group for control of operational functions."

Under "Ground Observer Corps", the Paper says:

"Within the air defence system the Ground Observer Corps continues to carry out a valuable role. Organized to detect and report low flying aircraft and to supplement information provided by radars, the Corps consists of more than 80,000 volunteers who man some 5,000 observation posts and 12 filter centres, which are located strategically across Canada."

"Additional filter centres are in the process of being organized on the West Coast. Vessels of the fishing fleet on both coasts act as sea-going mobile observation posts and

UK-CANADA CONTINUING COMMITTEE: A meeting of the United Kingdom - Canada Continuing Committee on Trade and Economic Affairs was held in London, England, June 13 and 14.

This Committee which was established in 1948 meets from time to time to review the general economic situation and consider matters of common concern to the United Kingdom and Canada in trade and other economic affairs. The Committee meets alternately in London and Ottawa; the last meeting was held in Ottawa on December 8 and 9, 1955, with the United Kingdom High Commissioner, His Excellency Lieutenant-General Sir Archibald Nye as Chairman.

The Chairman for the current meeting was Mr. Norman A. Robertson, High Commissioner for Canada in the United Kingdom. Among other Canadian officials attending were: Mr. W.F. Bull, Deputy Minister of Trade and Commerce; Mr. K.W. Taylor, Deputy Minister of Finance; and Mr. L. Rasmovsky, Deputy Governor, Bank of Canada.

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RE-SUPPLY MISSION TO CANADIAN ARCTIC: "Operation Nors '56", this year's re-supply mission to outposts in the Canadian Arctic which is undertaken every year by the Department of Transport, will be more intensive than ever before attempted as a number of outposts not previously on the itinerary of the departmental supply vessels will be visited.

The Department's supply ship, C.G.S. "C.D. Howe" with the Eastern Arctic Patrol aboard, the icebreaker C.G.S. "N.B. McLean" which opens up the Hudson Strait and Hudson Bay to shipping every year, and the C.G.S. "Edward Cornwallis" sailed from Montreal on June 25, and later that day from Quebec.

The Department of Transport's icebreaker, the C.G.S. "d'Iberville", will sail from Montreal July 23 and after receiving stores at Quebec, will sail from that port on July 31, escorting the 10,000-ton cargo vessel "Federal Voyager" and the tanker "Green Ranger" for the rendezvous with the other vessels at Resolute Bay on August 12.

The icebreaker "d'Iberville" will, if ice conditions permit, proceed with supplies to the joint Canadian - United States Arctic weather station at Eureka, located some 700 miles from the North Pole. The "d'Iberville" reached Eureka in the 1954 re-supply mission, but ice conditions in Hell's Gate and Eureka Strait made this impossible in 1955.

The itinerary of the C.G.S. "C.D. Howe" calls for visits to 25 out-posts, six of which have not previously been ports of call. The icebreaker "N.B. McLean" will visit ten out-posts and the C.G.S. "Edward Cornwallis" will make calls at eleven northern stations. The "N.B. McLean" will tow a large oil scow to the North and will set up aids to navigation in the Bay and Strait. She will then proceed to Thule and Resolute. When the "N.B. McLean" leaves the Hudson Strait on July 30 to proceed

northward to Thule for a rendezvous with the icebreaker "d'Iberville", the Edward Cornwallis" will continue the patrol of the Hudson Bay and Strait. The "Sauvel" will later take over from the "Cornwallis" when this ship leaves the Bay for further north. The "N.B. McLean" will return to her patrol duties after the re-supply assignment has been completed.

* * * *

PUPPETS ACT OUT CANADIAN INDIAN LEGENDS: At the Provincial Exhibition in Regina, Saskatchewan last year was the large display of Canadian Indian arts and crafts, where Mr. and Mrs. A.H. Brass of Peepeekisis Reserve were producing what is thought to be the only wholly Indian-operated marionette show in Canada.

Lively interest was shown by children and adults alike as the lifelike little figures of people and animals moved across the tiny stage to act out age-old Indian legends and bring bright touches of comedy to the programme.

The couple call their show the "May-May-Qwah-Shi-Wuk Marionettes," using a Cree expression which means "Mysterious Little People."

Since they began early in 1955, the "little people" have performed to several towns in south-eastern Saskatchewan, in Regina, and on television. Before the Second World War, Mr. and Mrs. Brass had a cast of five people helping manipulate a set of puppets for a show produced many times on their reserve and in schools and hospitals.

Now, they do everything themselves.

Mrs. Brass makes all the puppets, of which there are 45 at present. The faces are moulded paper pulp, the bodies are cloth, and the costumes are buckskin worked with beads in authentic designs. Mrs. Brass also makes feathered head-dresses, Sioux caps, and whatever else seems required for her puppets.

Musical background is provided by authentic Indian recorded music and by Mr. Brass and his violin.

Most of the stories are the traditional legends of their people which Mrs. Brass learned from her parents and others, and wrote for the show in dialogue form.

The legends include accounts of how Indians first got horses, why the weasel changes colour, and how wild flowers first came to the earth. There also are a dramatization of an Indian treaty-signing and a pow-wow showing the round dance, the prairie chicken and war dances.

Mrs. Brass is an experienced writer who was, for a number of years, correspondent on her reserve for The Regina Leader-Post and The Melville Advance. She wrote a regular column on Indian life and lore which the Advance published under the title of "Tee-pee Tidings," has written magazine articles, and still works as a freelance writer.

DEW LINE WEATHER FORECASTS: An all-Canadian contribution to the DEW (Distant Early Warning) Line, without which the construction of the northernmost radar defence network would be impossible, is the specialized weather forecast system provided by the Department of Transport's Meteorological Services.

The highlights of the service which is to assist aircraft flying personnel and supplies to the DEW Line sites scattered across the barren wastes are a specialized Arctic Forecast Team, a chain of weather stations reaching to within 450 miles of the North Pole and an automatic weather map transmission system that is one of the finest of its kind.

Since construction was begun some 18 months ago, the Department's meteorological services have been especially geared to give the DEW Line operators the vitally important weather reports to guide the flight plans of the aircraft fleet "working" the DEW Line. Additional forecast offices and improved communications have resulted in a concentration of effort that has been invaluable to the entire programme in the North.

* * * *

SURVEY AND MAPPING PROGRAMME 1956: The most advanced techniques and instruments will go into action as 75 field parties of surveyors and hydrographers launch this season's mapping and charting programme, according to an announcement made recently by Mines and Technical Surveys Minister George Prudham. The parties will undertake 61 major land projects - 8 in Yukon and N.W.T., 8 in British Columbia, 26 in the Prairie Provinces, 7 in Ontario, 10 in Quebec, and 2 in the Maritimes. In addition, the Hydrographic Service will operate 9 ships and 7 launches in its vital charting of coastal, inland, and Arctic waters.

Highlights of the programme are the extension of the Shoran network northward from the mainland over the Arctic Islands, accelerated charting with the new electronic ship-positioning instruments on the hydrographic vessel "Kapuskasing" in the Gulf of St. Lawrence, and the use of helicopters and other aircraft on three projects to speed topographical mapping over large and remote land areas. The largest of the helicopter operations will do topographical mapping over an area of 60,000 square miles along the north shore of the St. Lawrence from the Saguenay to the Strait of Belle Isle - thus in one season covering an area almost the size of England.

A geodetic party in northern Ontario will test a geodimeter - a newly acquired instrument based on electronic and optical principles that is designed to measure a best line quickly and with high accuracy. It is hoped that this instrument will replace invar-tape measurement and effect an economy in time and cost. Another party will carry out radar altimeter surveys in northern Canada and Arctic

areas to provide land profiles required in Shoran surveys, aeronautical charts, and topographical mapping.

The Shoran and radar altimeter surveys in less than a decade have been successful in establishing mapping controls in strategic regions of northern Canada that could not have been provided by any other means in the same time. The electronic ship-positioning instruments of the "Kapuskasing" and the new geodimeter are further examples of the Branch's policy of utilizing the most modern techniques to speed the urgent task of charting and mapping Canadian water and land areas.

* * * *

RECORD MINERAL OUTPUT: Canada's mineral production broke all previous high records by a wide margin in 1955 when the value climbed 19.5 per cent to \$1,778,400,000 from the preceding year's \$1,488,000,000, according to the Dominion Bureau of Statistics annual preliminary report. All provinces except Nova Scotia and the Yukon and Northwest Territories shared in the increase. Petroleum retained first position, followed by copper, nickel and gold.

Production in Ontario rose 16.3 per cent in value to \$577,900,000 from \$496,700,000 in 1954 but the percentage of the Canada-total declined to 32.5 per cent from 33.4 per cent. In Quebec, output rose over 26 per cent to \$352,100,000 from \$278,800,000, and accounted for 19.8 per cent of the national total versus 18.7 per cent.

Alberta's production value increased 16 per cent to \$323,700,000 from \$279,000,000 in 1954 but the percentage of the all-Canada total declined to 18.2 per cent from 18.7 per cent. In British Columbia the value rose 18.5 per cent to \$188,100,000 from \$158,600,000 but its share of the total was virtually unchanged at 10.6 per cent versus 10.7 per cent.

Value of production in Saskatchewan increased 23 per cent to \$83,800,000 from \$68,200,000 in the preceding year but the percentage of the total was practically the same at 4.7 per cent as compared with 4.6 per cent. Manitoba's production value at \$63,000,000 increased almost 80 per cent over 1954's \$35,100,000, raising its share of the national total to 3.5 per cent from 2.4 per cent. Production value in Newfoundland jumped 64 per cent to \$70,300,000 from \$42,900,000 and the proportion to 4 per cent from 2.9 per cent.

For Nova Scotia the value dropped to \$67,400,000 from \$73,500,000 and the proportion to 3.8 per cent from 4.9 per cent. New Brunswick's total advanced to \$14,300,000 from \$12,500,000 and the proportion remained unchanged at 0.8 per cent.

The Yukon and Northwest Territories with respective totals of \$23,500,000 versus \$26,400,000 and \$14,400,000 versus \$16,600,000, were down from a year earlier as was their share of the all Canada total to 1.3 per cent from 1.8 per cent for the former and to 0.8 per cent from 1.1 per cent for the latter.

CANADIANS IN ATOMIC TESTS: The Honourable Howard Beale, Australian Minister of Supply, announced recently that the first of four parties of Canadian service personnel and scientists who will attend the atomic tests to be held later in the year at Maralinga arrived at Adelaide, South Australia on June 13. The first party will be composed of 19 Army personnel from No. 1 Radiation Detection Unit (Royal Canadian Engineers) Kingston, Ontario. The other three parties will follow a little later.

"These atomic trials will be the first to be held at the new Maralinga Proving Ground. Items of Canadian service equipment will be exposed to effects of weapons. The Canadians will combine with British and Australian Service and scientific personnel in these trials, which will be the fourth series of British tests."

* * *

EXHIBITS AT STRATFORD: Patrons to Stratford Shakespearean Festival will have more to interest them this year than the presentation of Shakespeare, Moliere, Films and outstanding music.

The Exhibition Hall, along the banks of the Avon, has been a hive of industry this past week with the organizing of the various exhibits which will be shown during the Festival period.

First to be set up is the Theatre exhibition. Arranged by Richard Southern, a theatrical expert from London, England, this exhibition includes reproductions of rare prints of stages and theatres showing the development from early religious periods through Greek, Roman, European, Asian and modern times.

As soon as the arranging of the Theatre Exhibition is completed, the National Gallery of Canada will move in to set up the premiere of its new collection of Tchelitchew and Leslie Hurry paintings. This Exhibition will be, according to Alan Jarvis, director of the National Gallery, an extremely important international collection. The display will demonstrate the intimate link between painting and the theatre arts. Both artists are theatrical designers as well as painters and the collection to be presented will include their personal paintings as well as a group of their costume drawings and original stage settings.

Pavel Tchelitchew is a Russian emigré who, over the past 30 years has made for himself an international reputation.

Now a resident of the United States, he has designed for the Diaghilev ballet and the New York City Ballet and many theatrical productions. Apart from theatrical designing he is a painter of great distinction, with works hanging in galleries of Europe, the United States and Canada.

Leslie Hurry, who visited this country in connection with the Stratford Festival's pro-

duction of "Tamburlaine the Great", is a painter of note in England. An ardent admirer of Tchelitchew, Hurry has had several exhibitions in his native land and many of the works to be seen at the Stratford Festival have been collected from the arts Council of Great Britain as well as private collectors and public museums. After the Stratford Festival season this exhibition will tour Canada, under the auspices of the National Gallery.

Along with these two exhibitions, and in the same hall, will be the Canadian Book Publishers' exhibit of theatrical, related arts, and Canadian books. One of the outstanding displays here will be an exhibit of "the making of a book", describing, with samples, the various processes which an original manuscript goes through to the final stage when it is put on the counter for sale.

Another sponsored event, in the same location as the Book Exhibit, will be an exhibit of Canadian Graphic Art. This exhibition, which was first presented in Toronto some months ago, has already received wide publicity - and it too will go on tour under the auspices of the National Gallery of Canada after its showing in Stratford.

* * *

CMA APPROVES HOSPITAL INSURANCE PLAN: The Minister of National Health and Welfare, Mr. Paul Martin, recently expressed great satisfaction that the Canadian Medical Association has endorsed the proposed Federal-Provincial Hospital Insurance Plan.

"I am very pleased indeed," Mr. Martin said, "that the physicians of this country through their professional association have indicated their approval of the federal proposal now being considered by the provinces. From the very outset we have enjoyed the full co-operation of the Canadian Medical Association and I am happy to learn that it is encouraging its provincial divisions to assist local governments in setting up the programme."

"A recent public opinion poll," the Health Minister pointed out, "established clearly that the people of Canada favour the early introduction of a hospital insurance plan. It is gratifying that this further evidence of support should come from such an important group as the Canadian Medical Association."

Mr. Martin recalled that since the federal proposal was laid before the provincial governments in January of this year, three provinces have indicated their readiness to participate - British Columbia, Saskatchewan and Alberta. The implementation of the federal plan depends on its acceptance by at least six provinces representing a majority of the Canadian population. The Minister expressed confidence that the provinces which had not yet indicated their support were giving the proposal the most careful consideration.

WHITE PAPER ON DEFENCE

(Continued from P. 2)

extend the warning capability of the Corps. Aircraft recognition is now being taught to the civilian volunteers in order to increase their effectiveness.

"From time to time units of the Ground Observer Corps carry out special 'alerts', and the ability of the Corps to fulfil its functions has been tested both by local and large-scale exercises."

The Paper is in 10 parts, devoted to "Canada and the International Outlook", "Defence at Home", "Defence Abroad", "Manpower", "Training", "Conditions of Service", "Defence Research and Development", "Equipment", "Construction" and "Defence Appropriations".

The paragraph on "Manpower Strength" reads:

"Throughout the past year the figures for the Regular Forces remained fairly stable, being 116,715 at December 31, 1955, and 117,003 at December 31, 1954. During the first quarter of 1955 they increased, reflecting a normal seasonal trend experienced in other years; for the balance of the year, however, there was a levelling off and some decline. During 1955 as a whole, the strength of the Navy increased by 417, and the Air Force by 1,580; while the Army decreased by 2,285."

* * * *

FIRST QUARTER GROSS PRODUCT: The rise in Canada's gross national product which has been going on for a year-and-a-half continued into the first quarter of 1956, with the increase in the value of production from the fourth quarter amounting to close to 3 per cent after allowing for seasonal factors. This recent increase has raised the level of gross national product to an annual rate of \$28.3 billion or about 6 per cent above the annual average for the year 1955 as a whole, and 11.7 per cent above the first quarter one year ago. The continued advance in the first three months of this year was mainly a reflection of a further rise in the physical volume of production, with prices on average showing only a small increase.

The gain in output in the first quarter was concentrated in mining, forestry, construction, transportation and other service groups, with total production in manufacturing remaining relatively unchanged from the fourth quarter. Within manufacturing, the durable goods group declined moderately, reflecting a fall-off in non-ferrous metals and electrical apparatus and supplies; on the other hand, output in wood products, transportation equipment and iron and steel products rose in the first quarter, but these gains were not sufficient to offset the decline in other categories. The iron and steel group was pro-

ducing at a rate approximately 25 per cent above the level of last year's first quarter. The non-durable goods manufacturing group continued to advance in the first quarter as gains occurred in most major components.

* * * *

INDEPENDENCE OF MOROCCO AND TUNIS: Messages congratulating the Governments of Morocco and Tunis on the attainment of independence of the two North African countries were sent by Prime Minister St. Laurent on June 19.

Mr. St. Laurent addressed his good wishes and hopes for a prosperous future to Embarek Bekkai and Habib Bourguiba, the prime ministers respectively of Morocco and Tunis. Copies of his greetings were forwarded to M. Guy Mollet, the Prime Minister of France.

* * * *

QUEBEC ELECTION: The Union Nationale Government of Quebec Province was re-elected for its fourth consecutive term on June 20 with an increased majority.

All 20 cabinet ministers were re-elected.

The Union Nationale gained from the Liberals particularly in urban ridings. While losing three seats, the Liberals won some - mainly in rural areas - that formerly were held by the Union Nationale.

In the last general election in 1952, the Union Nationale won 68 of 92 seats and the Liberals 23.

The final party standing was reported on the morning of June 21 as follows:

Union Nationale	72
Liberals	20
Independent	1
Total	93

* * * *

SASKATCHEWAN ELECTION: On the morning of June 21, with one seat still in doubt, the standing in the Saskatchewan election of June 20, compared with 1952, was as follows:

	1956	1952
CCF	35	42
Liberals	13	11
Social Credit	3	0
Doubtful	1	-
Deferred	1	-
	53	53

The CCF Party of Premier T.C. Douglas, with a reduced majority and its popular vote cut to its lowest point since it was first elected in 1944, starts its fourth term as Canada's only Socialist Government.

Premier Douglas and all but one of his cabinet ministers were re-elected. The cabinet member not re-elected, Provincial Secretary J.W. Burton, was defeated in Humboldt by Mrs. Mary Batten, a Liberal candidate.



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INTERNATIONAL COOPERATION AND A NEW NATO

TWO BASIC PROBLEMS RE-APPRAISED: Closer political and economic consultation among members of the North Atlantic Treaty Organization to meet the challenge of new Soviet tactics was advocated by Mr. L.B. Pearson in an address on June 3.

The Secretary of State for External Affairs spoke to graduating students at Clark University, Worcester, Mass. In regard to NATO's development he singled out two problems in particular:

"The first of these problems is the current - and I hope searching - re-appraisal of the North Atlantic Treaty Organization - in its non-military aspects, and of ways and means of developing greater unity in the North Atlantic community. This work is being undertaken by a committee of three NATO foreign ministers who, incidentally, have begun their work with one strike against them by being dubbed 'the Three Wise Men'.

"NATO stands today at the very heart of the security of the free world, but a lot of people are so ignorant about it that they think it is a kind of breakfast food. Its defences protect the moral and spiritual basis of a vital segment of that world - as well as its physical security. Those defences are still needed. The danger of military aggression remains. So does the importance of collective strength to deter and, if necessary, repel it.

"NATO also faces, however, at this time, a new challenge in the all-out political and

economic offensive from Moscow. Our methods, especially in the fields of closer political and economic consultation, must be adapted to meet this new challenge.

"When NATO's task was almost exclusively military, the ways and means of providing defence against aggression could be thought of in terms of men and missiles. But the strength which NATO now needs to cope with 'competitive co-existence' has to be cultivated also in terms of public attitudes and of consultation and of voluntary and close co-operation between all member governments.

"To this end, the first task of NATO is to look to its internal strength and unity, and to resist those forces which would weaken it. This means that our cohesion must find a more durable basis than the fear which originally brought us together in 1949. We must seek out new ways of providing not only for the continued maintenance of a defensive shield against aggression, but also for strengthening the existing ties which bind members of the Atlantic Community more closely together. These ties, moreover, are not artificial creations; they existed long before NATO.

"Since the war, the nations of Western Europe, with their vast reserves of knowledge, skills, and initiatives have moved toward a closer unity, the outward and institutional expression of which takes many forms.

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INTERNATIONAL COOPERATION AND A NEW NATO

(Continued from P. 1)

"Viewed against the background of narrow concepts of sovereignty and ancient enmities, the progress which has been made in the last ten years towards European unity is encouraging, though it is not as fast as some impatient souls would desire. Furthermore, expressed in practical forms, it gives Europeans more - not less - authority in playing their proper role on the world stage. And that is all to the good.

"The island state of Britain, with its world as well as European responsibilities, can play an important part in this move in European integration by helping to bridge the gap between the interlocking and developing communities of Europe and the Atlantic. At the same time, the North American countries - the United States and Canada - must more than ever before realize that their destinies extend across the Atlantic.

"While the other countries concerned have their part to play, it is, I think, true to say that European integration and the cohesion of the Atlantic Community - neither of which excludes the other - will proceed as far and as fast as the United States and the United Kingdom make possible by recognizing the importance of their own roles in bringing it about; and in a way which will strengthen the Atlantic area as a whole.

FIRST TASK

"This, then, is the first task of the new NATO - to strengthen the internal unity of the alliance, to prevent the centrifugal forces from sundering it; to build upon the existing foundations of European and Atlantic unity, and to aid and assist the various initiatives to this end, within the framework of the Atlantic Community, and against the background of the broader international arrangements in which the Atlantic countries are participating as good citizens of the world.

"Its second task will be to take advantage of any and every opportunity new Soviet tactics may present to break through the vicious circle of suspicion and fear in the 'cold war', in an effort to test real Soviet aims and to bring about genuine negotiation. If we cannot do this by a forward-looking and flexible diplomacy, and without yielding to the temptation to relax our defence effort (though we have to alter its character) then NATO will hardly survive.

"We cannot move, of course, from open hostility or sterile 'co-existence' to constructive international co-operation without the searching testing period which would be provided by attempts to settle the several important issues which still unhappily divide the communist and non-communist world. These issues will not settle themselves; nor will

they be settled either by brandishing our swords or by throwing them away. We must be certain in NATO that if they are not settled, it will not be our fault.

"The unification of Germany by the free choice of its people; effective and agreed disarmament; the right of captive European peoples to decide their own future; a European security system; a united effort by the major world powers to make the United Nations work as it was originally intended to work; all these are the testing grounds of the future on which the Soviet peace offensive must be judged.

"It would be rash indeed to be dogmatic, either positively or negatively, about the real significance of the changes which have taken place in Soviet policy since the death of Stalin. We should avoid unreasonable optimism, for Orthodox Communist revolutionary tenets may still be dominant in Russia, and there is no peace in them. But also we would be unwise to reject out of hand the possibility that a new and pragmatic approach to internal affairs may be developing among the Soviet leaders, combined with a desire on the part of their peoples to return to a more normal relationship with other peoples. If this tendency were to extend, or could be made to extend, to the conduct of Soviet foreign relations and to the many problems which still divide us, we could at last begin to see more solid grounds for hope and confidence than we have now.

PROCESS OF TESTING

"Therefore, without illusions and without despair, we must hold ourselves ready to strengthen and encourage any elements which wish to deal with the world as it in fact exists rather than as marxist dogma pictures it. We must also be prepared, however, for the contingency that no such elements do exist, at least in a form seriously to influence policy.

"This process of testing - of examination and discovery - may be a long and difficult one. During it there is an obligation for NATO to maintain itself in readiness to deal with any emergency, military or diplomatic. By doing so, by steadfastly maintaining its basic purposes, and by demonstrating to the world that its continued existence is essential to the future of free men, it can play a vital part in leading the way forward from the bleak prospects of 'cold war', or of a harshly 'competitive co-existence', to the more distant horizons of world co-operation.

"There is one other problem that I would like to mention, which those words, 'world co-operation', bring to mind. It is that of international economic assistance. The problem here is to reconcile our obligations to the international community with those to our own people, to whom a Government owes its first duty. But it is more than that. It is a problem, not only of what to do (and no country

(Continued on P. 6)

SEAWAY MAY CUT GRAIN HAUL 5 CENTS

BUT IRON WILL BE NO. 1 ITEM: In a recent speech surveying the possible effect the Seaway will have on the shipping pattern of the Great Lakes and the St. Lawrence River, Transport Minister George C. Marler ventured to predict changes in the type of ship using the new waterway, replacement of grain by iron ore as the most important single item of traffic, a better balance of upbound and downbound cargoes, reduced grain carrying charges and an alleviation of shipping shortages during the grain shipping season.

One of the most interesting questions, in the opinion of Mr. Marler, was whether the Seaway would bring about a marked change in the movement of overseas traffic. He quoted figures for the Port of Toronto to show that in 1955 there were 20 lines with 110 ships plying between Toronto and European ports; that imports by overseas shipping came from 54 overseas ports in 19 different countries; and that exports transported by these ships went 44 ports likewise in 19 different countries.

Mr. Marler said that it had been estimated that "export traffic of general cargo originating in ports of the Great Lakes would amount to about 300,000 tons in 1955." Contrasting this cargo figure with the 5,100,000 tons of overseas export traffic from the ports of Montreal, Three Rivers and Quebec during the year, the speaker went on:

"That an increase in overseas traffic to the United States ports on the Great Lakes can be anticipated when the Seaway is opened may be inferred from the recent announcement of the United States Maritime Administration that it had declared the route between the United States lake ports and the Atlantic ports of Western Europe to be essential to the trade and economy of the United States," Mr. Marler said. "This will make available to operators of ships on United States registry used over this route an operating subsidy which will

make United States shipping competitive with other shipping which operates at much lower costs. However, as I said recently in Parliament, no vessels of Canadian registry are at present operating over this route."

Expressing the belief "that we may expect a further growth of this overseas traffic," Mr. Marler said that "because of the larger population of the territories on the United States side of the waterway there is likely to be a greater expansion in the traffic overseas to and from the American lake ports than to and from our own."

Mr. Marler based his predictions on possible changes in the shipping pattern of the Great Lakes and on the St. Lawrence River on the following factors:

"Leaders in the steel industry in the United States have expressed the opinion that there will be an increase of some 60,000,000 tons in steel-making capacity within the next fifteen years."

"Carriers chiefly engaged in hauling iron ore up the St. Lawrence from Seven Islands to Lake Erie ports might seek back haul cargoes and might well find it advantageous to clean ship and pick up grain, either at the Lakehead or Port Colborne, for movement to the Lower St. Lawrence ports. This would bring about a better balance of upbound and downbound cargoes, and an alleviation of Great Lakes shipping shortages during the grain shipping season."

Present costs of shipping grain involved water voyage from Lakehead to Toronto at a charge of 8 cents per bushel; from then on to Montreal 8 cents and transhipment charges of at least 1 cent per bushel. "It is reasonable to expect that when the lakers can carry the grain through the entire 1,200 miles to Montreal the total charge would be somewhat less," and he estimated "a reduction equal to about 5 cent per bushel."

* * * *

1956 CANADA HANDBOOK: The 1956 edition of the Canada Handbook has been released by the Dominion Bureau of Statistics. The 27th in the Handbook series, the present edition provides an up-to-date and authentic account of the economic, social and cultural life of the Canadian people. Numerous illustrations accompany the text.

In its 313 pages the reader will find specially prepared surveys of Canada's rich natural resources of land, forest, mines and waters; of the nation's strategic position in the present-day world; of its democratic system of government; of its people and national culture enriched by the blending of cultural groups from other lands and of its educational programme fashioned to meet the needs of each of the provinces with distinctive variety, of

Canada's growing cultural maturity in theatre, ballet, music, literature, and art; and of the marked advances made in recent years in the health of the Canadian people through a wide range of health services.

* * * *

CANADIAN, GERMAN CHAPLAINS CONFER: Canadian Army chaplains of the 2nd Canadian Infantry Brigade Group gave expert advice to German clergymen at a recent church conference in Iserlohn, West Germany.

Five Protestant chaplains of the Canadian NATO formation attended as guests.

One unique feature of the new German Army is that the chaplains will not be members of the force but will remain civilians.

CHEMICAL INDUSTRIES SETS RECORD IN '55: Canada's chemicals and allied products industries broke new ground in 1955 when the factory value of shipments passed the billion-dollar-mark for the first time, according to the Dominion Bureau of Statistics annual summary. The year's value was \$1,050,000,000, an increase of about 12 per cent over the preceding year's \$936,000,000.

Within the chemicals group, nearly all industries made positive contributions to the record total factory value of shipments by registering increases over 1954. Percentage increases over 1954 were as follows by industries: heavy chemicals, 23.5; compressed gases, 12; fertilizers, 19; medicinals, 7.7; paints, 11.7; soaps, 8.5; toilet preparations, 13; inks, 10; polishes, 10.3; primary plastics, 28.2; miscellaneous, 8.1. Declines of 4.4 per cent and 16.3 per cent were recorded by the vegetable oils and adhesives industries, the decline in the latter being due for the most part to a reclassification of firms to other industries.

In 1955 the 1,112 operating establishments (1,116 in 1954) employed 51,463 persons (51,603) and paid out \$184,434 000 in salaries and wages (\$177,312,000). Cost at plants of materials and supplies used was \$481,879,000 (\$437,051,000), and fuel and electricity cost \$33,346,000 (\$32,213,000).

The rising tempo of economic activity in 1955 was accompanied by a substantial increase in imports of chemicals and allied products. As has been historically the case, the United States continued to supply the bulk of the demand for these products and in 1955 accounted for 85.4 per cent of the \$260,500,000 versus 86.4 per cent of the preceding year's \$220,400,000. At the same time Canada exported chemicals to the value of \$210,000,000, an increase of almost \$50,000,000 over 1954. The United States was the largest customer, accounting for 53.2 per cent of the total.

Chemical producers indicated their intention to spend \$165,000,000 during 1956 for new equipment in the form of plants and machinery. This is about 2.5 times the total spent in 1955 and in magnitude represents an amount only slightly lower than the combined total of \$177,000,000 spent in the ten-year period ending in 1949. The era of chemical expansion in Canada is, apparently, not yet over the huge programme planned for 1956 augurs well for a continued record output.

* * *

MAY OUTLOOK FOR FRUIT CROPS: The general outlook for fruit crops at the end of May was influenced by several factors. Little winter damage was reported outside of British Columbia. The season in Ontario, Quebec and the Maritime Provinces was from two to three weeks later than usual. Several degrees of frost were reported in the important soft fruit producing Niagara district during the second half of May. This may have damaged fruit buds and blossoms.

CIVIL AVIATION REVENUES: Operating revenues advanced 31.5 per cent in December to \$10,514,000 from \$7,998,000 in the same month of 1954, but operating expenses increased 36.6 per cent to \$12,178,000 versus \$8,916,000, resulting in an increased operating deficit of \$1,664,000 as compared with \$918,000 a year ago.

All individual revenue and expense accounts were larger than in 1954 with the exception of mail revenue which dropped to \$1,068,000 from \$1,144,000. Passenger traffic revenue, the main item of income, rose 23.6 per cent to \$6,225,000 from \$5,036,000, while income from goods carried rose nearly 57 per cent to \$1,059,000 from \$675,000, and excess baggage revenue to \$72,000 from \$55,000. Income from bulk transportation climbed steeply to \$1,681,000 from \$730,000.

Aircraft operation and maintenance expenses rose to \$7,054,000 from \$4,664,000, ground operation and maintenance to \$3,200,000 from \$2,469,000 and general administration and traffic expenses to \$68,000 from \$55,000.

* * * *

NEW MINESEWEEPER LAUNCHED: HMCS Fundy, one of six Bay-class coastal minesweepers being built to replace those turned over to France in 1954 under the NATO Mutual Aid agreement, was launched on June 14 at the yards of the Davie Shipbuilding and Repair Company, Limited, Lauzon, Quebec.

The Bay class minesweepers are constructed of aluminum and wood. Each has a displacement of 390 tons, a length of 152 feet and a beam of 28 feet. These diesel-powered ships are equipped with the latest minesweeping equipment and navigational radar.

Of the 20 ships of this class originally authorized, 14 have already been commissioned. Eight are now in service with the Royal Canadian Navy and six with the French Navy.

The Fundy will be the third RCN ship to bear the name of the great bay between Nova Scotia and New Brunswick.

The first HMCS Fundy was commissioned on September 2, 1938, and was one of the four Basset-class minesweepers with which Canada entered the Second World War.

Throughout the war, the Fundy was one of the ships charged with the duty of sweeping the approaches to Halifax harbour. One of the few breaks from this monotonous but vital task was the rescue of survivors from a torpedoed merchantman. In January, 1945, the Fundy and a sister-ship, the Comox, picked up all 66 survivors of the torpedoed U.S. freighter Martin Van Buren.

The Fundy was finally turned over to War Assets Corporation for disposal July 27, 1945.

The second Fundy was one of four Bay-class minesweepers transferred to France at Halifax in April, 1954. At the time of the transfer, she was re-christened La Dunkerquoise.

TARIFF CUTS AID CANADIAN EXPORTERS: New Tariff reductions on a wide range of Canadian exports were announced by the Minister of Trade and Commerce in the House of Commons on June 7.

Mr. Howe outlined details of the new schedules under the General Agreement on Tariffs and Trade. The agreements, concluded between Canada, the United States and twelve other nations in Europe and Latin America, were signed at Geneva on May 23 by Mr. L.D. Wilgress, Canadian Ambassador to NATO, who was also chairman of the Canadian delegation.

The new rates will not come into effect until the end of June at the earliest.

In his statement to the House of Commons Mr. Howe said:

"The new GATT agreements represent a further addition to the significant and substantial progress already achieved in previous GATT Conferences in the reduction of tariff barriers throughout the world. The benefits obtained by Canada in these latest negotiations will lead to useful, practical gains for Canadian exporters of a wide range of products and in many markets. In addition to the concessions obtained directly by Canada, we will also benefit from all the concessions resulting from negotiations between the other participants....

BEHIND O-T C

"It is appropriate at this time to reaffirm Canada's view of the usefulness of the GATT as a framework for the conduct of trade and for the development of common trading policies. In this connection, the establishment of the Organization for Trade Co-operation to administer the GATT on a continuing basis would render the agreement more effective and would have a most encouraging influence on international relations.

"The Canadian Government has consistently supported this proposed Organization and is prepared to take steps to provide for Canadian participation at the appropriate time. The United Kingdom has already indicated its acceptance, and it is our hope that all the members of GATT and particularly the other leading trading countries whose support is essential, will similarly find it possible to join in its establishment.

"The Agreement concluded between Canada and the United States is one of the major agreements resulting from this Conference. The concessions that could be made by the United States were limited by United States legislation to maximum tariff reduction of 15 per cent, spread over the next two years. Also, there were a number of items, particularly in the agricultural and fisheries field, on which the United States was not prepared to negotiate at this time. Within these limitations, however we have concluded an agreement which should be most satisfactory to both countries. The fact that United States concessions would be implemented in three stages was, of course,

taken fully into account by our negotiators in determining the nature of the concessions Canada could justifiably grant. Canada has obtained maximum concessions on a large number of products, including various chemicals, certain metals, some agricultural items and a number of manufactured products and machinery....

"Canada has traditional and important trade relations with Europe and Latin America. It is our earnest desire and intention to continue to strengthen these close relations and to work with the countries of these areas in expanding our trade in both directions. As part of this general policy, Canada has concluded new agreements with Austria, the Benelux countries, Denmark, Western Germany, Italy, Norway and Sweden. Canadian exporters will obtain useful benefits from the concessions granted by these countries, many of which have made significant progress in the removal of import restrictions. Canada has also made agreements with Cuba, the Dominican Republic and Haiti, which are open dollar markets for Canadian goods....

"In multilateral negotiations which involve reductions in most-favoured-nation tariffs, it is customary for both Canada and the United Kingdom to alter certain of the tariff preferences accorded to the other. Most of the reductions in margins of preference of interest to Canadian exporters in the United Kingdom are relatively minor....

"To conclude, I would stress that Canada as a major trading nation has a vital interest in the expansion of world trade in an atmosphere of confidence and co-operation between countries. By entering into these latest negotiations under the auspices of GATT, the major trading countries have given renewed evidence of their intention to pursue the constructive policies that have been developed and strengthened through common effort."

* * * *

POWER CAPABILITY TO CLIMB 39 PER CENT: The generating capability of Canada's electric power industry in 1955 amounted to 13,905,000 kilowatts, an increase of 6.1 per cent over the preceding year's 13,101,000 kilowatts, according to the Dominion Bureau of Statistics second annual report entitled "Electric Power Survey of Capability and Load". The generating capability is expected to be 19,399,000 kilowatts in 1959, an increase of 39.1 per cent over 1955. The total growth, both actual and planned over the period 1951 to 1959, is 96 per cent. The proportion of thermal generation to the total is expected to rise from 12.6 per cent in 1955 to 15.4 per cent in 1959.

The report contains current and projected data compiled from returns filed by 82 major producers of electricity, which account for approximately 98 per cent of the power for sale in Canada and approximately 90 per cent of the total kilowatt hours produced in the country.

INTERNATIONAL COOPERATION AND A NEW NATO

(Continued from P. 2)

in the world has ever done as much as this country); but of how and why to do it.

"The need for assistance to those countries which have not shared in our industrial and technical advances is real and demanding. It will never be satisfactorily met, however, merely by pouring in assistance in a form which, economically, may be a way of putting people on the dole; politically, may give rise to suspicion that there are strings attached to it; and technically, is beyond the capacity of the receiving peoples to administer effectively.

"The Secretary-General of the United Nations uttered some wise words on this subject the other night when he said:

"We should not forget that it may be more difficult to live on the dole than to pay it. Few friendships survive a long drawn-out economic dependency of one upon the other. Gratitude is a good link only when it can be given and received without an overtone of humiliation."

"A cynic might doubt whether gratitude, so often a 'lively anticipation of favours to come', is a good link at all. The feeling of mutual assistance and co-operative effort is surely better. But that requires careful and sensitive planning; a clear understanding of why you are helping and are being helped.

CLEARING-HOUSE

"This understanding can surely best be achieved by using the United Nations more and more as the clearing-house for all forms of such assistance; as a place where plans can be discussed and related to each other; where purposes can be clarified and, if necessary, exposed. Where, on the other hand, suspicions can be removed when they are unjust and unwarranted.

"This does not mean that bilateral aid such as point IV, or aid under such arrangements as the Colombo Plan, should be abandoned, or taken over by the United Nations. That would be unnecessary and undesirable as well as politically unrealistic. But the United Nations should be brought more and more into the picture, and all its members pressed to accept their full responsibility. In this way, as Mr. Hammarskjold put it, we may find 'a sound basis for reconciliation of the natural national interest with valid international considerations.'

"But why bother at all? Haven't we enough to do at home? I could spend an hour or so on this question. Here I can only say that while the element of goodwill and neighbourliness does enter into these matters, as it does in their domestic manifestations, equally or more important is the long-term consideration of our own enlightened self-interest.

"Today we all want peace - more anxiously, perhaps, than ever before, because the alternative could be total annihilation. But we are not always willing to do the things or make the sacrifices that ensure peace. Are we willing to accept, for instance, the proposition that there will be no peace in this small world if it consists of 'residential areas surrounded by slums'.

"The domestic analogy applies here. Every free democratic government today accepts the fact - and most of them act on it - that national stability, welfare and progress are not possible if the poor are allowed to get poorer while the rich get richer. Inequalities and deprivations that are considered intolerable mean unrest, ferment and ultimate explosion.

EASY VICTIMS

"The same result will inevitably and inexorably occur internationally, if hundreds of millions of people feel condemned indefinitely to an existence below or on the edge of subsistence; hopeless and helpless and bitter; the easy victims for extreme ideas and extremist agitators.

"The main and the final responsibility for avoiding this situation lies with the governments and the peoples concerned. We in economically more favoured parts of the world can only supplement their efforts. But we would be well advised to do that, and primarily in our own interest.

"Nor should we expect, as I have just said, much gratitude; least of all the United States of America which I think, deserves it most, in terms of the magnitude of the assistance given.

"The United States is the most powerful and the richest country in the world. Yet while great national health and power can achieve international recognition and respect, it rarely gains affection - and not too often even understanding. This is something to which the giant has to become accustomed.

"All history shows this to be the case, and most recently, the history of the British Empire."

* * * *

CANADIAN AWARDED HIGH SCIENTIFIC POST: Dr. Leslie E. Howlett, Director of the Division of Applied Physics, National Research Council of Canada, has been named President of the Advisory Committee for the Definition of the Metre.

The Committee, composed of leading physicists from several countries, was established in 1952 by the International Committee of Weights and Measures to study the problem of defining the International Metre in terms of wavelengths from a source of light.

The existing standard for the International Metre is a metal bar kept at Sèvres, France. The proposed standard could be reproduced in other laboratories throughout the world.



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PRESIDENT SUKARNO ADDRESSES CANADIAN PARLIAMENT

THE FORCE OF NATIONALISM: "In one very important sense Canada and Indonesia are neighbours..." said Dr. Sukarno, President of Indonesia, in his address to the House of Commons and Senate on June 5. "Both of these countries are on the verge of a great new period of development, and I am firmly convinced that the future of both countries will bring increased prosperity and increased happiness for all mankind..."

Dr. Sukarno went on to develop his comparison as follows:

"...It is obviously true that the land, the climate and the people are the basic elements for the making of any nation. The future of that nation depends greatly upon what is done with the land and its resources. The political future of the nation depends, it is clear, upon the organized strength of the nation, and the social and cultural development of the nation can be measured only by the peoples' victory over their environment.

"Like Canada, Indonesia is a vast country. We have more than 3,000 inhabited islands and our archipelago runs from Malaya to the north of Australia. It is a vast country of 82 million people and, -- I do not say this in any boastful spirit --, it is today the third largest democracy in the world. Our nation is young in this modern world of ours, but it does not enter the family of nations empty-handed. I know that Canada is just beginning to exploit the great wealth bestowed by God

upon this country; we of Indonesia are in the same position. The difference between us is that Canada's great natural wealth could not be exploited until science and technology had reached their present level. Indonesia's natural wealth could have been exploited -- to the benefit of humanity - long ago. But we laboured under colonialism.

"Now we can see no limit to the possibilities of development. It is no exaggeration to say that even we of Indonesia do not know the wealth of our country. It is no exaggeration to say that many of the islands composing our archipelago have hardly been explored, let alone exploited. When modern technology and modern science are devoted to the task of extracting the maximum from those islands, than I say with no fear of contradiction that Indonesia will contribute very, very greatly to the material well-being of this interdependent world of ours.

"Furthermore, it is my belief that Indonesia and the other newly reborn countries of Asia and Africa have other gifts to bring to the world. I would like to quote to you a passage - a very short passage, but a very important passage -- from a booklet distributed by the Canadian Government. This booklet was distributed three years ago throughout the countries of south-east Asia, and, speaking of Asia, it stated that: 'Although we may have

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**PRESIDENT SUKARNO ADDRESSES
CANADIAN PARLIAMENT**
(Continued from P. 1)

"something to give and to teach, we have also much to receive and to learn. In this vast country of ours, we have found out how we may live and prosper, but from the East, with its ancient cultures, we have much to learn of the abiding things that bring comfort and delight to the mind and heart".

"That may well be true. What is equally true is that from the East also can come great material benefit, material benefit for all countries, material benefit both for the West and the East, material benefit for the whole world!"

"I know that it is a truism to talk of the interdependence of nations. I know that almost every speaker today refers to this, but it is sometimes difficult to appreciate just what it means in cold reality. The Government of Canada has obviously a real understanding of the position; this is shown clearly by the fact that each year Canada contributes more than \$25 million to the Colombo Plan. As the representatives of a country, and as the representative of a nation benefiting from this aid, I know what the Colombo Plan means, and, please believe me, I express the gratitude of my people for this example of the brotherhood of nations and the interdependence of mankind.

NATIONAL INDEPENDENCE

"We are indeed grateful for all assistance which comes to us, from whatever quarter of the globe it may come. We struggled long for our national identity. We love that national identity, we hold that national identity dear as life itself. We aim, therefore, above all things, to maintain and preserve that national identity. I assure you in all seriousness: nothing will ever take that from us. No hope or promise of quick reward will persuade us to barter one scrap of our independence, for to us that independence, that national independence, is more precious than any other thing in this world."

"When I first set foot in the United States, I expressed my hope of observing America, amongst other things, as a state of mind. It is important that Asia and Africa be seen as a state of mind. And what is that Asian and African state of mind? Essentially it is the determination that the nations of Asia and Africa develop their own national reality. I use the word 'reality' advisedly, because a nation is a reality.

"Who could doubt that, after observing the post-war world? In particular, perhaps, who could doubt that after observing the Asian and African conference which was held in Bandung a year ago? That great and historic meeting of twenty-nine states showed clearly the path of history in this post-war and troubled world.

Representatives of more than half mankind, pre-representatives of one thousand and six hundred million people, met together in one of Indonesia's mountain cities, and discussed problems common to them all.

"Those national representatives of Asia and Africa discussed the basic problem of where their nations stood in this modern world. I know that it is not necessary for me to tell you of the result of that conference. You know that a long and all-embracing resolution was unanimously adopted. That result answered the basic question of where those nations stood. It answered the question of what the peoples of Asia and Africa sought and desired. Those assembled representatives of the majority of mankind clearly expressed their opposition to colonialism in all its forms, that is a basic fact in the mid-twentieth century.

"Above all things, this is the period of Asian and African nationalism. This is the era when the old conditions, the old and hated pattern of world society is undone. Who can be surprised by the fact that colonialism, whatever form it assumes, whatever mask it may hide behind, however it may disguise itself, is indeed a hateful and disgusting thing? I will tell you this: colonialism left Indonesia with a heritage of illiteracy, a heritage of human sickness, of human ignorance, of human degradation, which was a disgrace and a menace to the twentieth century. We had the highest illiteracy rate in the world. We had the highest mortality rate in the world. We had the lowest living standard in the whole world: one gourd a day, two and a half guilders-cents a day -- not even one dollar-cent a day. Our country was rich, but its wealth did not serve to alleviate the misery and ignorance of our people. Having achieved independence, we still feel the consequence of three hundred and fifty years of colonialism. And those consequences are not light ones....

OUTSTANDING ACHIEVEMENTS

"Just eleven years ago almost all of our people were illiterate; today less than half of our people are illiterate. Perhaps it may seem that I am boasting. I do not intend to boast, but I am immensely proud of the achievement in this field, and I am immensely proud of our national progress in other fields. We, a nation previously numbered amongst the voiceless and the unconsidered in the world, a nation previously numbered amongst the unregarded, we have, for example, but recently completed, to our great satisfaction, the very first general elections in our country. This is a considerable achievement, and I am proud of it. I am proud of it because it shows a degree of political progress which could hardly have been expected of a nation which, only eleven years ago was not even considered by the world.

"We elected, under conditions of universal suffrage and secret ballot, a Parliament and a

(Continued on P. 6)

NEW UNIFORM FOR "LITTLE JULIEN": The world-famed Brussels Boy statue in the Belgian metropolis wore an RCAF tartan kilt on Air Force Day, June 9, Air Division officials announced recently.

It was the second time this year that the famous statue, a life-size replica of a small boy presiding over a fountain, and noted for its somewhat naive state of undress, wore the uniform of the RCAF Pipe Band from No. 1 Fighter Wing, Marville, France.

The bedecking of the Belgian statue is not the result of a lark by overseas air force personnel, but represents an honour paid the Air Division by the city fathers of Brussels.

Last year the Marville pipers played at a ball in Brussels, saw the statue and were told its history. They learned how the statue perpetuates the legend of Duke Godfroid II, who fought a battle on the spot now the centre of Brussels.

According to legend the Duke brought his small son, Julien, to the battlefield in a basket which he hung from the limb of an oak tree. In the midst of the battle, which was going badly for the Duke's men, the little lad raised himself in his basket, in an undiapered state, to see what was happening.

The sight of little Julien supposedly had a morale-lifting effect on the Duke's soldiers, who won the battle.

STATUE RECAST

Later, in the 14th century, a fountain graced by a figure of "Little Julien" was built. The original statue has since been smashed, but was recast.

The Marville pipers also learned how more than 200 years ago French grenadiers tried to walk off with the statue, but the incident ended with an apology from Louis XV of France, who knighted "Little Julien" and provided a uniform for him.

Since then other uniforms and national costumes have been given to the statue, and a museum was erected to contain them.

Learning all this, the Marville Pipe Band decided the statue should have one of their uniforms, and made enquiries with the city officials of Brussels. The result was that prominent Brussels businessmen arranged for a tiny replica of the Pipe Band's uniform to be tailored, which was presented early last month to the statue in a ceremony attended by Wing Commander E.L. Wurtele of Saint John, N.B., RCAF Air Attaché in Brussels, members of the Marville Pipe Band, and a 10-man RCAF Guard of Honour. Canadian and Belgian flags drape the famed statue which wore the Band's uniform for the occasion.

A few countries and organizations having given uniforms or costumes have been honoured by their garb being worn by the statue one day a year. RCAF officials have been notified that "Little Julien" will wear the uniform of the Marville Pipe Band each year on Canada's Air Force Day.

DOUBLE-TAX AVOIDANCE PACT MADE: The Department of External Affairs announced recently that an agreement between Canada and the Federal Republic of Germany for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was concluded in Ottawa on June 4. Dr. Werner Dankwort, the German Ambassador, signed for the Federal Republic of Germany and the Honourable Walter E. Harris, Minister of Finance, signed on behalf of the Canadian Government.

The agreement provides generally that each country retains the right to tax income leaving that country, while at the same time undertaking to grant relief from taxation on income in respect of which a tax has already been imposed in the other country.

The agreement will come into force after the expiration of a month following the date on which the instruments of ratification are exchanged. This exchange of instruments will take place in Bonn.

* * *

CANADIAN AVIATION PROGRESS: Noting the continuing forward strides that Canadian aviation has been making, Honourable George C. Marler, Minister of Transport, said recently at the official opening of the Calgary Municipal Airport's new terminal building that the final figures for 1955 would, in all probability, show another record-breaking year.

He also declared that faster and heavier aircraft now in use had imposed additional responsibilities on the Department of Transport and "in the light of prospective developments we are now revising our programme for the development of runways so as to take account of the requirements of the aircraft we expect to see in operation in the 1960's and to provide, where necessary, runways suitable for use by aircraft with take-off weight of 125 to 145 tons compared to today's maximum of about 67 tons."

Mr. Marler stated that the number of passengers carried on domestic flights in 1955 exceeded 2,500,000 which was an increase of 16 per cent over the previous year, while the volume of mail increased by nearly 10 per cent. There was also a substantial increase in the volume of air express and air freight.

The scheduled operators accounted for an increase of nearly 27 per cent but the non-scheduled operators, largely because of the airlift for the DEW Line and the mid-Canada Line, showed an increase of 197 per cent, from some 31,000 tons in 1954 to nearly 94,000 tons last year.

The increases over the period are explained not only by the operation of a larger number of flights between principal urban centres of Canada but also by an increase in the number of points served and by the extension of flying services in all parts of Canada.

QUEEN HONOURS N.B. INFANTRYMEN: Generations of infantry soldiers in the Province of New Brunswick have been honoured by the Queen who has conferred the title "Royal" on the New Brunswick Regiment. Her Majesty has also consented to become Colonel-in-Chief of the regiment, Defence Minister Ralph Campney announced recently.

The New Brunswick Regiment was formed in 1954 when the 28th Field Battery, Royal Canadian Artillery; The Carleton and York Regiment; The North Shore (New Brunswick) Regiment; and The New Brunswick Scottish were amalgamated to form the 1st Battalion, New Brunswick Regiment (Carleton and York) with Headquarters at Saint John; and the 2nd Battalion, New Brunswick Regiment (North Shore) with Headquarters at Bathurst.

The Royal New Brunswick Regiment perpetuates twelve units of the Canadian Expeditionary Force, 1914-18, and one unit of the Canadian Militia.

The Royal New Brunswick Regiment traces its history back to the year 1868, closely paralleling the history of Canada since Confederation.

New Brunswick infantrymen, whose deeds again honoured by this Royal recognition, have been among the first to volunteer for Canada's service in every war since.

* * * *

SENNELAGER TRAINING: Canadian troops in Germany, encamped more than 4,000 strong throughout the All Arms Training Centre in Sennelager, are undergoing some of the toughest training since the 2nd Canadian Infantry Brigade Group arrived on the Continent last fall.

Infantrymen, gunners and tank men of the NATO formation are going practically around the clock, firing their weapons and brushing up on their battle procedures.

Names like Falaise, Nijmegen, Reichswald, Ardennes, Arnhem and Caen, fresh in the memory of Canadian soldiers, now denote training areas and ranges at this vast training area, some 40 miles from the Canadians' permanent locations in Westphalia.

Sennelager has been a military training centre since 1892 and has served the armies of both Kaiser Wilhelm and Hitler. The region is now under the control of the British Army.

Prominent red and white signs in the Russian language worn against trespassing in the training areas. In the past Russian agents in West Germany have followed training manoeuvres of NATO troops with interest. But the boom has now been lowered.

A total of 13 units are under canvas, living and training as close to locations as safe-firing conditions in the area will allow.

The two-week concentration is the first major field training trial of the year for the Canadian force.

TEACHERS IN CANADA: The number of school teachers in the 10 provinces of Canada in 1954 increased 4 per cent from the preceding year and about 19 per cent since 1950, according to the Dominion Bureau of Statistics' annual report on teachers' qualifications. Women teachers accounted for 77,493 of the total versus 74,080 in the preceding year, and men teachers for 27,795 versus 26,883.

Teachers in the nine provinces (except Quebec) were distributed as follows: 18 per cent in one-room rural schools, 12 per cent in rural schools of two to five rooms, 32 per cent in towns and villages, and 38 per cent in cities and metropolitan areas. Something of the changing pattern of the school population is indicated by the changes since 1950 in the numbers of teachers in various types of schools. There has been a decrease of 22 per cent in the numbers in one-room rural schools, an increase of 27 per cent in two to five-room schools, 42 per cent in town and village schools including rural schools of six or more rooms, and a 27 per cent increase in the number of teachers in city schools.

Married women accounted for 25 per cent of all teachers and 35 per cent of the women teachers. Twenty-four per cent of the women teachers in city schools were married, 36 per cent of those in town and village schools, 44 per cent of those in two to five-room rural schools, and 48.6 per cent of those in one-room rural schools.

In the nine provinces 89.6 per cent of the teachers had training equivalent to at least junior matriculation (high school graduation) plus one year of professional training. Eighteen per cent had at least a university degree and the professional training required to teach secondary grades. Both of these percentages were similar to those for 1953. Some improvement appears in one-room rural schools where 25 per cent had less training than the above minimum as opposed to 29 per cent in 1953. The total number of teachers with less training than this (usually junior matriculation) plus 6 weeks of professional training increased from 2,068 in 1953 to 3,120 in 1954.

Excluding Ontario and Quebec, the median number of years of experience was 7.6 years (ranging from 3.6 years in Newfoundland to 9.5 in Alberta), slightly less than the 8 years for 1953. The median for all cities was 13 years in contrast to 14 years in 1953. The median number of years of experience for cities has declined steadily since 1946 when it was 17.7 years. This decline is the result of the addition to the teaching staffs of large numbers of new teachers required to meet increasing enrolments. In the one-room rural schools half the staff in Alberta had over 7 years of teaching experience and in Nova Scotia and British Columbia over 6 years while in Manitoba they had barely more than 2 years and in Newfoundland only 1.4 years.

CANADIAN MARKSMEN TO BISLEY: Eight Army marksmen from the Royal Canadian School of Infantry, Camp Borden, Ontario, sailed for England June 14 to compete in the Bisley rifle meet with championship teams from other Commonwealth armies, Army Headquarters announced recently.

It is the first time a team has been sent to represent the Canadian Army at Bisley.

Last fall the RCS of I team won the right to make the trip by winning the unit championship of the Canadian Army following a competition at Connaught Ranges, Ottawa. To win this event the team defeated representatives from each of the five Army commands.

To decide the unit championships of the Commonwealth, standard Army rifles with service sights will be used in all events. No slings are allowed and in some of the competitions difficult obstacle courses have to be overcome before firing.

In other events competitors must sprint between firing points with only a limited time to complete each competition. In addition to a clear eye and a steady hand, almost perfect physical fitness is necessary and with that in mind the Canadian team has undergone an arduous siege of training for the past several months.

The Canadian group will compete in eight team events covering almost every phase of marksmanship. In addition each soldier can enter the individual Bisley competitions when they will be allowed to use rifles with target sights and slings.

* * * *

CONSUMER PRICE INDEX UNCHANGED: Canada's consumer price index remained unchanged at 116.6 between the beginning of April and May. A year ago the index was 116.4, and in May 1954 it was 115.5. Current decreases in the food and household operation indexes were counter-balanced by slight increases in the shelter, clothing and "other" commodities and services series.

The food index declined from 109.7 to 109.3 as sharply lower prices were reported for tomatoes, along with lesser declines for coffee and some fresh vegetables and meats. Prices were higher for eggs, fresh and canned fruits, potatoes and most cuts of beef.

Both rent and home-ownership components contributed to the upward movement of the shelter index from 131.9 to 132.1. The clothing index moved from 108.7 to 108.8 as slight increases in footwear and children's wear were partially offset by a decrease in women's spring coats.

The household operation index moved from 116.6 to 116.5 under the influence of a seasonal decrease in coal prices and lower insurance rates for household effects. Increased prices were reported for household supplies, kitchen utensils, and some items of furniture, as were higher telephone rates in some centres.

10TH AIR FORCE DAY. Across Canada RCAF units held their big open house to the public - Air Force Day, on June 9.

On this day, the RCAF throws open its doors to give the general public a close-up of the jobs it is doing, enabling the average man-in-the-street to more fully understand the tremendous technical advance being made by the Air Force for his defense.

In helping the public to understand its work and at the same time helping to maintain the air-mindedness for which Canadians are noted, the RCAF puts on all manner of displays both on the ground and in the air.

Wherever a unit has equipment it can show, that equipment is open to inspection and demonstration. Added interest was evident this year in that this was the tenth anniversary of the first Air Force Day held in Canada.

Among the top exhibits were the CF-100s, which have always been a highlight in aerial and ground displays on Air Force Day in recent years. Wherever possible CF-100 squadrons across Canada again went through their paces in the air and drew plenty of attention from visitors at static displays.

* * * *

NEW "RCAC" BADGE: Her Majesty The Queen has approved the design of a new badge for the Royal Canadian Army Cadets, Army Headquarters announced recently.

The new badge depicts a red maple leaf, with the designation "RCAF" in green ensigned by the St. Edward's Crown in gold, with the motto "Acer Acerpori" (as the maple, so the sapling) inscribed in green at the base of the maple leaf.

It will replace both the present cap badge and the crest worn on cadet blazers. The cap badge will be reproduced in brass and the crest in cloth of the appropriate colours.

* * * *

BORDER CROSSINGS UP IN APRIL: More than one million vehicles crossed the Canada-United States border into Canada from the United States in April, an increase of nearly 7 per cent over the corresponding month a year ago. Aggregate crossings totalled 1,184,200 (564,-500 foreign vehicles and 619,700 units registered in Canada) as compared with 1,107,900 last year. Foreign vehicles entering Canada increased 6 per cent and Canadian vehicles re-entering increased between 7 and 8 per cent.

Volume of traffic entering Canada on travellers' vehicle permits declined 11 per cent from last year, due no doubt to the changed date of the Easter week-end, lowering the January-April total one per cent. The volume of long-term Canadian traffic abroad over 24 hours increased about 5 per cent in April and 29 per cent in the four-month period.

Traffic by rail, through bus, boat and plane advanced over 3 per cent in March as compared with a year earlier.

PRESIDENT SUKARNO ADDRESSES
CANADIAN PARLIAMENT

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Constituent Assembly. Although I know well that those things alone are not a guarantee of democracy, I know equally well that without those things democracy cannot exist. We have chosen, and chosen after proper consideration, the democratic path of national fulfilment and national emancipation. We have chosen the path of Pantja Sila, the five principles of our State. They are: Belief in God; Nationalism; Humanitarianism; Democracy and, last of all, Social Justice. It is our belief that this path will lead us most rapidly to the full and useful life which every nation ought to contribute and enjoy in our present-day world....

"I am told that people are sometimes surprised at our attitude towards certain international problems in the world. We do not automatically accept the views of any group of people. We do not join in any military organization. We intend to be ourselves. It is true, it is very true, that we are enthusiastic members of the United Nations, and we see in the United Nations the faint outlines of a future World Organization. We call our foreign policy not a 'neutral' foreign policy; we call our foreign policy 'independent' and 'active'. We call it so, because we take an independent line in accordance with what we see as the best interests of the world and our own nation, and we act upon that.

CHOSEN POLICY

"One of the draftsmen of Canada's greatness, Sir Wilfred Laurier, said in the year 1900: 'I claim for Canada this: that in future Canada shall be at liberty to act or not to act.' In those words that great Prime Minister, that architect of the future, summed up the foreign policy which we of Indonesia choose to follow today.

"We seek to follow a policy which will give the greatest benefit to all mankind, and if that foreign policy should sometimes run counter to what you believe and act upon, believe me when I say that what we do, and how we vote, is dictated by our ideals, and not by any spirit of opposition.

"Yes, we are separated, as I said, by the Pacific Ocean. But we are also joined by the Pacific Ocean! We are neighbours, and nothing is more important than that neighbours should understand each other. I have not come to your vast country to negotiate any treaty, I have come with the hope that this short visit of mine will lead to a better understanding between our nations. If this should be so I will be content. You have a great future with your neighbour and friend to the south, the United States of America, that vast country which I so recently visited. There is a saying that 'an unseen frontier of friendship' exists

between Canada and the United States. It is my prayer that between us of Indonesia and this country of Canada a similar frontier of friendship may develop and grow strong....

"...Ladies and Gentlemen: I beg you, do not underestimate the force of the nationalist torrent which is today pouring over Asia and Africa. It is a mighty torrent, and one thing is certain; we are in the midst of an historical change which is vital for the whole future of mankind. It is a nationalist torrent, and that torrent is not directed against anyone or any nation. It is a torrent whose object is the greater freedom, the greater liberation of mankind. I say this in all seriousness: any attempt to stand against that torrent will be vain, just as every attempt ever undertaken to stand against an historical process has been vain. This torrent is directed only against the outworn principle of colonialism. You may call it a destructive torrent, but it is one which is destructive only of colonialism, and one which will lead to a greater and wider horizon of freedom for all men everywhere and in every country. In the framework of history it is constructive and progressive.

"Today most of my own country is free, most of my own nation is enjoying the fruit of independence, but to our sorrow and continued dissatisfaction a part of our nation and country still suffers under colonialism, that plague on mankind's fulfilment. West Irian - perhaps you know it better as West New Guinea - is still unfree. Until West Irian is rejoined to the rest of my country, Indonesia will feel herself incomplete and insecure. There can be no question that West Irian is part of Indonesia, and indeed until 1950 no one in the world would have dreamed of denying that fact. Until we are united with our still unfree brethren, we of Indonesia will never be content, because we know just what colonialism means in terms of human unhappiness, in terms of human misery and human degradation.

"In this world of ours, troubled and uneasy though it is, there is still much success and many gains for the peace and security of men. Whatever we have gained has been won because man's understanding of other men as brothers has increased.

ACTIVE UNDERSTANDING

"This is essential. Mankind the world over is basically the same whatever cultural or ideological details may appear to divide him. Understanding and sympathy are necessary. Active understanding and active sympathy will help relieve the strains and tensions in the world. This is really my message to you. Give us your understanding and your sympathy. Give us, if you can, your active understanding and your active sympathy. If you do that, and if we of Asia and Africa retain that active sympathy and understanding, then the future of the world can indeed be bright...."



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HEALTH CARE FOR CANADIANS

SELECTED INCOME GROUPS STUDIED: Only 45.3 per cent of Canada's population in the low income group receive any kind of health care as compared with 53.7 per cent of those in the medium income group, 55 per cent in the high income group (lower) and 61.1 per cent in the high (upper) income group, according to the ninth report on the first nationwide study of illness among Canadians, made in 1950-51.

Based on a survey by the Department of National Health and Welfare and the Dominion Bureau of Statistics in co-operation with provincial health departments, the report records the differences in the amount of health care received by Canadians in various income groups. For purposes of the survey the income groups were defined as follows in 1950-51: low, under \$1,500 per annum; medium, \$1,500 to \$2,999; high (lower), \$3,000 to \$4,999; high (upper), \$5,000 and over.

In 1950-51 the average number of person-days of disability per 1,000 persons was 17,833 for the low income group, 11,042 for the medium income group, 9,628 for the high income group (lower), and 11,384 for the high income group (upper). While persons with low incomes reported more disabling illness than persons with medium or high incomes, the average number of times persons of various income groups were ill varied rather little from about two complaint periods per person.

Physicians' services: In the low income group, 37.2 per cent received physicians' care as compared to 43.9 per cent in the medium

income group and 45.2 in the high income group. Estimates of the average number of doctors' calls and clinic visits per 1,000 persons showed much the same income group pattern as the figures recording the percentage of persons reporting physicians' care. The average number of calls or visits per 1,000 persons was lower for the low income group (1,484) than for the medium and high income groups (1,811 and 1,938, respectively). However, the average number of doctors' calls and clinic visits reported by those persons who received some physicians' care ranged from 3,773 per 1,000 persons for the low income group to 4,014 for the medium income group and 4,209 for the high income group.

People in the low income group received physicians' care for a lower proportion of their complaint periods (21.4 per cent) than persons in the medium and high income groups (25.3 per cent and 27.2 per cent, respectively). Similarly the low income group reported 8.78 doctors' calls and clinic visits per 100 disability days, as against 16.82 for the medium income group and 20.78 for the high income group.

Hospital care: An estimated 10 per cent of the people in the low income group received in-patient hospital care. The corresponding figures for the medium and high income groups were 11 per cent and 9.3 per cent, respectively. For the low income group the average

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number of hospital periods per 1,000 persons was 120, lower than the medium income group figure of 132, but higher than the high income group figure of 108. But the lower income group had an average of 2,566 person-days of hospitalization per 1,000 persons which was higher than the ones reported by the medium and high income groups (1,715 and 1,411, respectively). The high proportion of person-days of hospitalization for the low income group can be explained by the fact that the low income group suffered more disabling illness. The average number of person-days of hospitalization per 100 disability days for the low, medium and high income groups was 14.11, 15.53 and 12.85, respectively.

Operations: Compared with other income groups, fewer people in the low income group reported operation (3.2 per cent as compared with 3.5 per cent in the medium income group and 4.2 per cent and 5 per cent in the lower high and upper high income groups). This tendency was preserved in the figures for operations reported by the various income groups.

Dental care: Only 9.1 per cent of persons in the low income group visited a dentist during the year, as against 14.1 per cent of the medium income group and 19.3 per cent of the high income group. The average number of dental visits per 1,000 persons in the low income group was 160. This was not much more than half the number reported for the medium income group (302) and not much more than a third of the number reported for the high income group (450).

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SHIPBUILDING INDUSTRY: Value of production in Canada's shipbuilding industry in 1954 declined 14.5 per cent to \$156,607,000 from \$183,215,000 in 1953, according to the Dominion Bureau of Statistics annual report on the shipbuilding industry. Fewer establishments in the year (76 versus 79) employed less personnel (19,356 versus 22,571), lowering salaries and wages to \$65,257,000 from \$72,732,000 a year earlier. Costs of materials dropped to \$56,260,000 from \$65,821,000 and fuel and electricity costs eased to \$1,774,000 from \$1,870,000.

Production of all types of naval vessels accounted for \$29,634,000 in 1954 as compared with \$14,960,000 in 1953; cargo and cargo-passenger vessels, \$23,948,000 (\$17,609,000 a year earlier); tankers, \$7,211,000 (\$7,453,-000); dredges, \$1,094,000 (\$1,588,000); ferries, \$1,339,000 (\$141,000); scows and barges, \$1,790,000 (\$567,000); and all "other" commercial vessels, \$3,737,000 (\$10,603,000). Production of boilers, engines, etc., as well as repairs and conversions amounted to \$201,-867,000 in the year as compared with \$215,-643,000 in the preceding year.

CANADA-US TO EXAMINE BOUNDARY WATERS: The Department of External Affairs and the Department of Northern Affairs and National Resources announced that the following statement was made in the House of Commons by the Minister of Northern Affairs and National Resources, Honourable Jean Lesage. A similar announcement was made in Washington.

"The Canadian and United States Governments have decided to examine together the subject of waters which flow across the international boundary between the two countries.

"The last time both governments examined this matter thoroughly together was before the conclusion of the Boundary Waters Treaty of 1909. During the forty-six years which have elapsed since its ratification, the International Joint Commission, which was established by the Treaty, has worked with outstanding success in solving water problems within the framework of this treaty.

"It has recently appeared, however, that the development of the resources of such basins as the St. John, the Columbia and the Yukon, requires, among other things, the solution of various complicated legal, economic and engineering questions. In agreeing to examine the matter of waters which cross the boundary, the two governments realize that there may be no easy or quick answer to the problems which are arising today in such areas and that the studies may reveal that the Boundary Waters Treaty of 1909 is sufficiently broad to meet present problems. The two governments believe, however, that a full and confidential exchange of views may contribute to the resolution of these problems and it is in this spirit that the discussions have been agreed to. At the same time, the two governments desire that the International Joint Commission shall press forward its studies under the Columbia River Basin Reference of 1944 and the other similar references which it has under consideration."

* * * *

ARMY AND AMATEUR ATHLETES AFFILIATED: The Canadian Armed Forces and the Amateur Athletic Union of Canada are now affiliated, it was announced jointly by the Department of National Defence and the AAU of C.

The affiliation coincides with a general stepping up of sports programmes in the three Armed Services and is expected to provide a general stimulation of amateur sports throughout Canada. Under the new arrangement, officials of the Amateur Athletic Union will assist the Armed Services in planning and conducting many of their major athletic competitions.

Among the amateur sports controlled by the AAU of C are boxing, wrestling, track and field, gymnastics, fencing, weight-lifting and handball. At the present time the Armed Services conduct organized programmes in boxing, track and field and gymnastics.

NATIONAL HOUSE DESIGN BODY: Public Works Minister Robert Winters announced recently the formation of "The Housing Design Council", a national body dedicated to the encouragement of improved housing-design in Canada. At its initial meeting the council adopted a constitution, discussed a programme of action, and elected its first officers.

Mr. Winters told the members that while there has been continuous improvement in the physical aspects of housing, he thought we must acknowledge that the housing in our suburbs has not generally been distinguished in its appearance and has not offered the kind of full enjoyment and pride we ought to expect in a country as prosperous as ours. He said that concentration on the improvement of the design of housing offered a field of endeavour that had been neglected to a certain extent in the post-war period.

"By this I don't mean that people have not been aware of its importance. There simply has been relatively a far greater concentration on quantity and speed of production of housing. A very large house-building industry has now developed, there has been a great increase in the house-building labour force, production of building materials has reached a stage where shortages are seldom heard of, tools and equipment have been developed to speed construction and there has been developed an enlarged money market necessary to meet the demand for financing housing. While this has been happening perhaps design - the real livability of housing - has been left behind in the forward surge of this dynamic industry.

"I think as the more urgent of housing requirements are met and the pressure on our housing accommodation lightened - economic competition will alone make it necessary for the house builders to seek to widen their market through improvement in the design of housing.

"We believe the post-war urgency has largely been met and while the level of house construction will continue high there may be a period of about 10 years when we can catch our breath. By this I mean we won't likely have to double our housing production in the next ten years as we have done in the past. In fact the industry may have difficulty in making full use of its present capacity without that stimulus to demand that would be afforded by some distinguished improvement in the design of new housing".

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NRC MEDICAL RESEARCH FELLOWSHIPS: The National Research Council of Canada has awarded 27 Medical Research Fellowships for the year 1956-57. Total value of the awards is \$72,950, plus travelling allowances when required.

All fellowship-holders are medical graduates who will engage in research in the medical sciences. Twenty-two of the awards will be held in Canadian universities, four in the United States, and one in England.

RAILWAY FREIGHT TRAFFIC UP IN 1955: Revenue freight traffic moved by railways in Canada in 1955 totalled 167,656,542 tons, an increase of 15.3 per cent over the preceding year's 145,-418,055 tons, according to advance figures released by the Dominion Bureau of Statistics. Of the freight carried in 1955, 131,456,869 tons were loaded at stations in Canada (112,-298,467 in 1954); receipts from foreign connections destined to Canadian points increased 5.1 per cent to 18,730,521 tons from 17,819,-456; and intransit freight rose 14.2 per cent to 17,469,152 tons from 15,300,132.

Of the 131,456,869 tons of freight loaded in Canada during 1955, 56,824,335 tons of mine products accounted for 43.2 per cent of the total; 33,664,030 tons of manufactures and miscellaneous products for 25.6 per cent; 22,015,310 tons of agricultural products for 16.7 per cent; 15,950,953 tons of forest products for 12.1 per cent; 1,230,001 tons of animals and animal products for 0.9 per cent; and 1,772,240 tons of L.C.L. freight for 1.3 per cent.

Loadings in Newfoundland increased to 1,-334,374 tons from 1,148,093, in Prince Edward Island to 305,773 tons from 296,338, in Nova Scotia to 10,761,398 tons from 9,401,113, and in New Brunswick to 4,445,986 tons from 4,-105,558. In Quebec loadings rose to 30,469,062 tons from 20,705,415, Ontario to 40,619,626 from 34,637,419, Manitoba to 7,227,710 tons from 7,043,262, Alberta to 11,347,667 tons from 11,014,527, and British Columbia to 12,802,992 tons from 11,186,822. Loadings in Saskatchewan declined to 12,142,281 tons from 12,759,920.

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ONTARIO TRAILER FACTORY: A new Ontario manufacturing industry will be established in Ingersoll, Ontario, Minister of Planning and Development William M. Nickle, announced recently.

Mid-States Corporation, Union City, Michigan, important manufacturer of mobile homes, will establish in Ingersoll a newly-created Canadian subsidiary, Mid-States Canada Limited, with offices and production facilities occupying 45,000 square feet. Employment in the Canadian plant is expected to reach 125 persons by the end of 1956.

Production in the new plant, Mid-States' first outside the US, is expected to minimize shipping and marketing expenses and provide modern mobile living at a minimum cost to the growing Canadian mobile home market. More than 80 per cent of all the material used by the new plant will be purchased in Canada.

The line of mobile homes to be produced by the new corporation will be similar to Mid-States "Star", the parent corporation's most popular line of mobile homes. Named "The Canadian Star" the new line will consist of models in thirty-six, forty-one and forty-six foot lengths, with a choice of one or two bedrooms in each model.

MILITARY EXPERTS TO SEE ARMY SCHOOLS: Fifteen foreign military attachés and Commonwealth service advisers will participate in a ten-day conducted tour of Canadian Army schools and other establishments in Ontario from June 5 to 15, Army Headquarters announced recently. The purpose of the trip is to provide an opportunity for representatives of foreign governments to observe Canadian Army training.

Countries whose representatives will make the tour include Australia, Finland, France, Israel, Italy, The Netherlands, Norway, Pakistan, Portugal, Sweden, Switzerland, Turkey, United Kingdom, United States of America and Yugoslavia.

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INDEX OF INDUSTRIAL PRODUCTION UP: Canada's composite index of industrial production for March stood at 277.2, according to preliminary figures, 10 per cent above the March 1955 index of 251.9. The manufacturing component of the index rose 8.8 per cent to 282.3 from 259.5 a year earlier and the index of mineral production advanced 22.5 per cent to 249.7 from 203.8. The sub-index measuring output of electricity and gas stood at 286.9 in March, 1.7 per cent above the March 1955 index of 282.2.

The index of non-durable manufactures, at 242.0, was 8.9 per cent above the same month last year. All industrial groups for which comparisons are available recorded advances of between 5 and 10 per cent. Output in the clothing industry was 9.7 per cent higher than during March 1955, and production in the paper products group advanced 9.5 per cent. Output in the foods and beverages, tobacco, rubber products, textiles, printing and publishing and chemicals industries showed smaller gains in the March comparison.

In the durable manufactures field, the composite index for March rose to 345.4, 8.6 per cent above last March's figure of 318.0. Output of iron and steel products increased nearly 22 per cent with production in the non-metallic minerals group rising almost 19 per cent. The electrical apparatus and wood products group recorded gains of nearly 8 per cent and 6 per cent respectively. Transportation equipment showed a fractional increase, while output of non-ferrous metals fell off about 3 per cent.

For the first three months of 1956 the index of industrial production averaged 267.1, 8.6 per cent above the corresponding figure of 246.0. The manufacturing index rose 7.4 per cent to 270.5 in this comparison. The non-durables component advanced 7.2 per cent from 217.2 to 232.9, while the durables index rose 7.6 per cent to 329.4. The mining index in the three-month comparison increased 20.1 per cent from 203.8 to 244.8. The sub-index for electricity and gas showed a fractional advance from 281.1 to 283.0.

MORE CANADIANS IN TRUCE ORGANIZATION: The Department of External Affairs announced recently that five additional Canadian Army Officers had been selected for service with the United Nations Truce Supervision Organization in Palestine under its Chief of Staff, Major-General E.L.M. Burns. This is Canada's response to an urgent request from United Nations Secretary-General Hammarskjold for more military observers to man observation posts and provide mobile patrols when necessary along the demarcation line in the Gaza strip. Mr. Hammarskjold reached agreement with Egypt and Israel on this strengthening of the United Nations supervision machinery during his recent mission to the Middle East.

The five Canadian Officers whose selection was announced are Major Alexander K. Paton, 35, of Vancouver, who was commissioned in 1941 and served in Northwest Europe during World War 88; Major Roland P. Yelle, 38, of Quebec City, who has served both in Europe and Korea; Major Samuel M. Pinkerton, 35, of Hamilton, Ontario, also with both Second World War and Korean service (mentioned in despatches during the Korean War); Major George W. Graham, 37, of Calgary, who served during the Second World War in the United Kingdom and Northwest Europe and subsequently was stationed in Germany; and Major Lorne M. Stone, 30, of Vancouver, who was commissioned in 1948, and has served in Germany with the 27th Canadian Infantry Brigade Group.

The five left Ottawa for the Middle East on May 25. There are already five Canadian military observers with the Truce Supervision Organization, in addition to General Burns.

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CANADA ELECTED TO WHO EXECUTIVE: Canada has been elected to the Executive Board of the World Health Assembly, now meeting in Geneva.

The Assembly, which is the governing body of the World Health Organization, elects six countries each year to its 18-member Executive Board. Each country elected serves on the board for a period of three years.

The five other countries elected to the Executive Board this year are the United Kingdom, Italy, India, Mexico and Syria.

The Canadian delegation to the Ninth Assembly of WHO is headed by Dr. G.D.W. Cameron, Deputy Minister of National Health, who will also be Canada's member at the 18th session of the Executive Board. The Board began its meeting immediately after the conclusion of the WHO Assembly on May 28.

Other members of the Canadian delegation at the Assembly are S.R. Balcom, Member of Parliament for Halifax, Dr. F. Burns Roth, Deputy Minister of Public Health for Saskatchewan, Dr. Emile Blain, Director-General of the Canadian Association of French Speaking Doctors, Hector Allard, Canada's Permanent Delegate to the UN at Geneva, and Miss Dorothy M. Percy, Chief Nursing Consultant of the Department of National Health and Welfare, Ottawa.

HEALTH SCIENTIST AWARDED MEDAL: An Ottawa scientist, Dr. Morris Katz, atmospheric pollution expert in the Department of National Health and Welfare, has been awarded the Plummer Medal by the Engineering Institute of Canada for work in his field. The award was made at the Institute's annual meeting in Montreal recently. The Plummer Medal is awarded annually for outstanding achievement by a Canadian engineer.

Dr. Katz, who is consultant, atmospheric pollution services, in the federal health department's Occupational Health Division, is the author of some 75 scientific papers on various aspects of chemistry in relation to atmospheric pollution and other fields and holds patents in many countries on a new type of catalytic process for the detection and oxidation of carbon monoxide.

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FARM LAND VALUES UP IN 1955: Value of occupied farm land in Canada in 1955 averaged \$52 per acre, compared with \$50 in 1954, \$51 in 1953, and the pre-war five-year (1935-39) average of \$24, Dominion Bureau of Statistics reports. Increases in value as compared with 1954 occurred in all provinces except Prince Edward Island which remained at \$59. Averages for the other provinces were: Nova Scotia, \$56 (\$54 in 1954); New Brunswick, \$54 (\$52); Quebec, \$82 (\$81); Ontario, \$107 (\$101); Manitoba, \$46 (\$45); Saskatchewan, \$31 (\$29); Alberta, \$42 (\$41); British Columbia, \$107 (\$102).

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NEW U.S. AMBASSADOR ARRIVES: His Excellency Livingston T. Merchant presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada. The ceremony of presentation took place at Government House.

The Secretary of State for External Affairs, Mr. L.B. Pearson, was present on this occasion. The Chief of Protocol Mr. E. D'Arcy McGreer, presented the Ambassador to the Governor General. The Ambassador was accompanied by members of the United States Embassy in Ottawa. Mr. Lionel Massey and Mr. J.F. Delaute, respectively, Secretary and Administrative Secretary to the Governor General, were also present.

Mr. Merchant was born in New York in 1903 and graduated from Princeton University in 1926. In 1942 he left private business to accept an appointment as Assistant Chief of the Division of Defense Materials in the Department of State. Following assignments as Chief of the Eastern Hemisphere Division and the War Areas Economics Divisions of the Department of State, he was named Economic Counselor (with the personal rank of Minister) at the United States Embassy, Paris, in 1945.

In November 1946, Mr. Merchant became Chief of the Aviation Division of the Department of

State, and in October 1947 he was named Acting Deputy Director (later Deputy Director) of the Office of Transport and Communications. In September 1949, he was made Deputy Assistant Secretary of State for Far Eastern Affairs. In November 1951, he became special assistant for Mutual Security Affairs and in March 1952 he went to Paris as Deputy to the U.S. Special Representative in Europe, with the personal rank of Ambassador. On March 11, 1953, he was appointed Assistant Secretary of State for European Affairs.

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STRATFORD FILM FESTIVAL: The film programme of the 1956 Stratford Festival, which will run currently with the fourth annual season of drama at Stratford this summer, will take place from July 23 to August 16 in the Avon Theatre in Stratford. There will be fourteen programmes, each made up of a full-length film accompanied by shorts and featurettes.

Says Tom Patterson, Festival Director of Planning, who is supervising the film programming: "We have not set up a definite series of films since audiences will see probably only one or two of the programmes. What we have tried to do is to get a miscellany of outstanding films from Europe, Canada, the Far East, Great Britain and the United States - revivals as well as current films which have not had general distribution in Canada."

Feature films which will be shown in the first group of programmes will include Citizen Kane (American), Umberto D (Italian), Romeo and Juliet (Russian), Odd Man Out (British), The Life of Private Brovkin (Russian), Alexander Nevsky (Russian) and the shorts Martin and Gaston (French), In the Park (French), The Stranger Left No Card (British), On The Twelfth Day (British), Song of the Prairie (Czech puppet film) and The Stratford Adventure (Canadian).

The remaining programmes will be arranged from the following group of feature length films; Les enfants du paradis (French), Kamaradschaft (German), Modern Times (American), Marcellino (Spanish), Le Million (French), Passion de Jeanne D'Arc (Danish), Bicycle Thief (Italian), Los Olvidados (Mexican), Four Steps in the Clouds (Italian), and The General (American). Accompanying shorts will be chosen from the following group; Rhythm of the City (Swedish), The Golden Antelope (Czech puppet film) Isola Della Laguna (Italian), The Forgotten Village (Mexican), Time Out for War (American), A Divided World (Swedish), Paris 1900 (French), Picasso (Italian), Louisiana Story (American), Berliner Ballade (German), Cabinet of Dr. Caligari (German), Kermesse Heroique (French) and The Italian Straw Hat (French).

Mr. Patterson said that a selection of Canadian documentaries and Norman McLaren cartoons will be included in the showings. He added that several of the foreign films presented will be Canadian premieres.

OFFICERS TO SERVE IN INDOCHINA: Three senior officers now serving at Army Headquarters will leave Ottawa for a tour of duty in Indochina on July 1, Army Headquarters announced recently.

Lieutenant-Colonel Henry James Lake, Royal Canadian Artillery, 44, of Victoria, British Columbia, will be appointed Military Adviser in Cambodia and will be promoted to the acting rank of colonel while employed in Indochina.

Lieutenant-Colonel Grant Peter Marriott, Royal Canadian Artillery, 41, of Toronto, will be appointed Deputy Military Adviser in Vietnam. He will also be promoted to the acting rank of colonel while employed in Indochina.

Lieutenant-Colonel Herbert Arthur McKibbin, Royal Canadian Armoured Corps, 42, of Port Arthur, Ontario, will be appointed Deputy Military Adviser in Laos.

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SUBSIDIZE RETIREMENT PSYCH. STUDY: Probes into personal and social aspects of retirement are among a number of research projects receiving federal backing under terms of the Mental Health Grants in the National Health programme, Health Minister, Mr. Paul Martin announced recently.

Commenting on approval of a government contribution of \$19,000 to McGill University for the retirement project, Mr. Martin noted that, during the past five years, the number of patients 70 years and over admitted for the first time to Canadian mental institutions had increased by about one-third. It had become necessary, therefore, to obtain more information about the multiplicity of causes of mental illnesses so often found in the increasingly-large older citizen group.

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SERVICE SHUFFLE IN INDOCHINA: A major turnover of Canadian service personnel in Indochina will be effected in July, August and September, Army Headquarters announced recently.

Ninety-two servicemen, majority of them members of the Army, will be flown to Saigon by the Royal Canadian Air Force to replace a similar number of officers and men who will have completed their tour of duty with the Military Components, Canadian Delegations to The International Supervisory Commissions in Vietnam, Laos and Cambodia.

They will serve approximately one year with the Supervisory Commissions, Canada has approximately 130 members of the Army, Navy and RCAF serving in Indochina.

Four round trip flights by RCAF aircraft will complete the changeover.

Carrying approximately 25 servicemen each, planes will leave Montreal for Saigon July 6, July 27, August 17 and September 7. The out-bound trip will take approximately nine days.

Several Army officers and two senior non-commissioned officers are being promoted to higher acting ranks on the day they leave Montreal for Indochina.

CMHC GRANT FOR SAINT JOHN SURVEY: The Minister of Public Works, Mr. Robert Winters announced recently that the Federal Government has authorized the Central Mortgage and Housing Corporation to make a grant of \$11,250 to the City of Saint John, N.B., to finance an urban redevelopment study. The grant provides federal aid to investigations into housing conditions in Canada.

The survey, which is expected to be completed by the end of 1956, is estimated to cost \$15,000. The City of Saint John will bear 25 per cent of the cost with the federal grant providing the remaining 75 per cent.

The study is intended to identify the areas of the city which are in need of urban renewal and to determine where rehabilitation, clearance or redevelopment would be the appropriate treatment. The study will also consider the proper re-use of the areas that should be cleared and the re-housing requirements for the families in such areas. One or more of the worst areas will be selected for detailed study with a view to early redevelopment.

The federal grant will finance the employment by the city of technical staff who will carry out the study and report to a joint committee consisting of representatives of the city, the provincial government and the Central Mortgage and Housing Corporation.

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TRAFFIC ENTERING CANADA IN APRIL: Number of foreign vehicles entering Canada on travellers' vehicle permits declined 11.1 per cent in April to 105,632 units from 118,786 a year earlier. The majority of foreign vehicles entering Canada for the Easter week-end were recorded in March this year whereas in 1955 the Easter traffic was all recorded in April. Entries in the January-April period totalled 292,706 units, a decrease of 1 per cent from a year earlier.

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NATIONAL HOUSING ACT LOANS: In terms of dwelling units financed, lending activity under the National Housing Act declined by 15.2 per cent for the first four months of 1956 compared with the same period of 1955, Central Mortgage and Housing Corporation reported.

From January to the end of April, 1956, undertakings-to-insure and loan commitments were issued by the Corporation for 11,238 loans amounting to \$130,719,783 for 13,037 units. For the first four months of last year loans numbered 12,984 for 15,377 units and an amount of \$146,825,218.

Preliminary figures for April show that undertakings-to-insure and loan commitments were issued for 5,204 loans amounting to \$58,-353,149 for 5,624 dwelling units. In April, 1955, activity involved 5,424 loans and an amount of \$61,429,952 for 6,420 units.



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CANADIAN ASSISTANCE TO THE PEOPLES OF ASIA

TWO FORMS OF AID: Addressing the Standing Committee on External Affairs on May 3, Mr. Nik Cavell, Administrator, International Economic and Technical Co-operation Division of the Department of Trade and Commerce, spoke as follows on the assistance given by Canada to the countries of South and Southeast Asia under the terms of the Colombo Plan:

"...I should like to point out that we are training young people and we are bringing them here in increasing numbers, and exposing them to our democratic way of life. We do all we can for them and send them back, but it will be some years before we can evaluate their usefulness, and more and more we realize that they are exactly like our own young people - some are brilliant, some do an average job and a small percentage are failures. But all the time I feel we are adding slowly but surely to the technical skills, agricultural, medical and other knowledge which these countries must have if they are to better the lot of their people....

"Our greatest difficulty is to find the fields in which we can best help. To aid us in this we send out research missions composed of the best men we can find in their field, or in some cases we send individuals who have had teaching or technical experience here in Canada, and these people go to one or two countries and try to discover for us in what area of education Canada can be most effective....

"I should like to take a moment here to bring to the notice of the Committee a few facts about the countries of Burma, Indonesia, Indo-China and Malaya. They are not nearly as stable or advanced as India, Pakistan and Ceylon, where we have until now done most of our work. Burma fell into terrible chaos both during and after the Japanese occupation. Her communications were destroyed, what little business she had was completely disrupted, and from being the largest exporter of first-class rice in the world, her agriculture fell to such an extent that she was hardly growing enough rice for her own needs. This of course meant that she virtually had no exports from which to earn foreign currency, with the result that she was compelled to cut down her development programme very considerably. The situation has very much improved but she is still not in the fortunate position she was before the war....

"Indonesia is better off; she has now settled most of her difficulties with the Dutch and is gradually evolving a better and stronger government. That government is beginning to turn its attention to a different system of education and to the needs of the people. But here again recent events of history make it difficult for us to see exactly where we can best assist.

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CANADIAN ASSISTANCE
TO THE PEOPLES OF ASIA

(Continued from P. 1)

"Canada has a specially advantageous position with regard to the Indochinese states; they were under the French and, therefore, outside of their indigenous languages, their language is French and not English as in India, Pakistan, Ceylon and Burma. We can be of great assistance here because outside of France we are the only nation with a large established French population, having schools and universities teaching in the French language....

"You might be interested to know how our technical assistance training fits in with our capital projects. Our cement plant in Pakistan which, you will remember, was built in Montreal, is now producing on an experimental basis. Pakistan has been unable to find sufficient personnel to run it and so we are finding some supervising staff and helping under technical assistance to make sure that the plant does not break down from want of trained people. By the way, you might be interested to learn that the Pakistanis have called the cement plant we have built for them 'The Maple Leaf Cement Plant'. And so with the various electrical generating plants in which we are engaged, we send out Canadian technicians to help run them if required and there is a continuous co-operation with the engineers of the country concerned when we are building them.

EXPERT SHORTAGE

"However, it would not be right for me to let you think that all this works automatically and always with absolute accord. You must remember that what is happening here is that one of the most technically advanced nations in the world - ourselves - is co-operating with nations still 80 per cent and sometimes 90 per cent agricultural; they are short of technicians, short of engineers and have a mass population which, for the most part, has no machine training or technical background whatsoever. We are in trouble, for instance, at our Warsak project on the Northwest Frontier because enough Pakistanis with technical training cannot be found to co-operate with our people. We have the same problem in East Bengal where we are bringing into being at the present time two badly needed thermal plants. This is no one's fault, neither is it an easy situation to remedy. There is, of course, a limit to the number of Canadians we can find and send out. In this connection, of course, the boom situation in Canada militates against us. It is not easy in the first place to find these highly trained men in Canada; if they are good they already have well paid jobs and if they are not good they are useless to us. It is difficult to persuade such men to leave those jobs and go off to countries about which

they know little or nothing, to face bad climates, perhaps disease and a standard of living below that to which they are accustomed. So...do not go away with the idea that there are not serious problems. There most certainly are and they are likely to continue. All we can do is deal with them on a day-to-day basis as they arise. So far we have been able to persuade high calibre men to work for us and we hope to continue to find them and to persuade them that the experience will be good for them.

"...The co-operation with aid agencies which I believe I mentioned to you last year, still continues. In fact, it improves. There is every year, the annual meeting of the Consultative Committee of the Colombo Plan. Last year this was held at Singapore and this year will be held in New Zealand. At this meeting, as you know, the economic situation of Asia is studied and the nations concerned as donors try their best to match their technical assistance and capital projects with the individual needs of the various countries in the area. In addition, there is co-operation with the United Nations Assistance Programme, the International Co-operation Administration and the International Bank for Reconstruction and Development.

INTER-AGENCY CO-OPERATION

"Here on the North American continent, there is a continuing co-operation between me and my officers and the officers of these agencies and particularly with the International Co-operation Administration and the International Bank. The International Co-operation Administration is the organization through which the United States administers its aid. All this co-operation, of course, is organized to prevent overlapping and to keep each other informed on economic and other problems which arise continually.

"We are also in very close touch with the International Bank for Reconstruction and Development, whose reports are probably the best prepared of any and which is most co-operative. This kind of co-operation, of course, cuts down time and expense because we then do not have to go out and seek so much information for ourselves....

"I do not think...I have anything more to tell you today except this: that the more I see of this operation, the more I believe it to be vitally necessary if we are to maintain a free world and not see huge chunks of it succumb to the totalitarian doctrine. However, I should also like to say that the glamour and excitement of finding proper operational paths and of beginning our first projects has long ago given place to the hard grind of keeping a large number of projects up to schedule and dealing with the multifarious problems which, of necessity, arise from them. This is so not only in our Canadian operations, it is so in the whole field of Western aid to Southeast

TB AMONG ESKIMOS, INDIANS: Canada's native Indians and Eskimos, numbering just over one per cent of the population, account for over an eighth of all admissions into tuberculosis sanatoria and units, according to a report prepared by the Dominion Bureau of Statistics for the annual meeting of the Canadian Tuberculosis Association in Niagara Falls recently. The report disclosed that the admission rate to tuberculosis sanatoria is 12.3 times as high for Indians and Eskimos as for the rest of the population. Based on 3 years' figures centred on the 1951 Census, it revealed that more than one in every hundred Indians and Eskimos became tuberculosis patients each year. In contrast, fewer than one in a thousand of the remaining population were admitted to sanatoria.

Most heavily affected among these indigenous peoples were the young. Half the Indians and Eskimos admitted were less than 20 years old. One in five was a child of 9 years or less. This youngest group had an admission rate 50 times as high as among children of comparable age in the rest of the population. Although numbering less than 2 per cent of all such children in Canada, they accounted for nearly half (389 out of 855) of all the tuberculous admissions in that age bracket and their inclusion in the national figures had the hidden effect of increasing the rate for the group by 80 per cent.

Dramatic declines have occurred in recent years in the death rate from tuberculosis, and the rates for Indians have been falling faster than for non-Indians. Although the importance of the disease as a public health problem has been waning, the disproportionately high admission rate among Indians and Eskimos tends to blur the picture of the actual incidence of tuberculosis in the country as a whole. Their inclusion in national totals makes the picture look worse than it really is through inflating the national admission rate by 13.5 per cent. Secondly, the high rates for Indians and Eskimos are concealed in the much larger numbers applying to the rest of the population.

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NEW CNR EQUIPMENT: Canadian National Railways has placed orders for new car equipment valued at more than \$26.5 million. All the equipment is scheduled for delivery in the first quarter of 1957.

These orders bring to nearly \$91 million the value of new equipment ordered within the past month. Orders for 240 diesel locomotives and 1,980 freight car units, with a total value of more than \$64 million, were announced on May 8.

Shipments of primary iron and steel shapes by Canadian producers rose sharply in January to 323,989 tons from 212,402 in the same month last year.

FISHERIES EXPERT IN TURKEY: Ian S. McArthur of the federal Department of Fisheries has been lent by the Government of Canada for a three-month assignment in Turkey with the Fisheries Division of the Food and Agriculture Organization of the United Nations. He is serving as fisheries consultant to the Turkish Government on its fisheries development programme. Mr. McArthur's assignment will take him to Ankara and the major fishing ports of Turkey.

His experience with the Prices Support Board and the fishing vessel indemnity plan here, as well as with various governmental programmes to aid the development of Canadian fisheries, particularly in Newfoundland, places Mr. McArthur in a position to be of service to the Turkish Government in similar matters. He served as the fisheries member of the Canadian delegation to the eighth annual conference of FAO in Rome last November, and at that time took the opportunity of making a brief visit to Turkey to discuss his proposed assignment to that country.

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FOURTH SEAWAY LOCK BEGUN: Tenders were called recently for two of the most important contracts to be awarded in the building of the St. Lawrence Seaway. These are for the two locks that will make it possible to raise or lower ships the 85 feet between Lake St. Louis and the Beauharnois Power Canal. Work is progressing on three other Seaway locks at St. Lambert and Côte Ste. Catherine, Quebec, in the Lachine Section, and at Iroquois, Ontario, in the International Rapids Section.

Features of the construction of the upper and lower Beauharnois locks will be the temporary diversion of the New York Central Railroad during construction, the building of a four-lane highway diversion tunnel to carry Quebec Highway No. 3 under the lower Beauharnois lock, the construction of a cofferdam in Lake St. Louis and dredging in the Beauharnois Canal.

Excavation over the two-mile extent of the two lock contracts will require the removal of some 1,110,000 cubic yards of overburden and 2,621,000 cubic yards of rock. For construction there will be required some 9,000 tons of iron and steel and some 3,200,000 bags of cement.

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SOLDIERS TO HELP WITH CENSUS: More than 200 Canadian soldiers will be employed as enumerators during the census of Canada commencing June 1. They will take the census among all servicemen and civilian employees living in camps and installations across the country and their dependents. Soldiers, civilians and dependents stationed abroad in the United Kingdom, Germany, the United States, the Far East and elsewhere will also be enumerated by soldiers.

CANADIAN TO PAINT ROYAL PORTRAITS: Queen Elizabeth and the Duke of Edinburgh will sit next spring for portraits to be painted by a Canadian artist, Public Works Minister Robert Winters announced recently. He stated that this was the first time a Canadian artist had been commissioned to do a state portrait for Canada of a reigning monarch.

Mr. Winters said that the Government, on the unanimous recommendation of the trustees of the National Gallery of Canada, has chosen Mrs. Lilius Torrance Newton, RCA, of Montreal, as the artist. Mrs. Newton is a prominent portraitist, whose sitters have included many outstanding figures and whose works occupy places in the National Gallery of Canada, as well as in all major art galleries in the country.

It is expected the portraits will be completed in 1957.

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CANADIAN PHYSIOLOGIST WINS AWARD: International recognition for "outstanding research achievement in aviation medicine" has been awarded Dr. Walter H. Johnson, 45, of Toronto, a physiologist with the Defence Research Medical Laboratories (DRML) at Downsview, Ontario. He is the first Canadian to have won the distinction.

At a recent meeting of the Aero-Medical Association in Chicago, Dr. Johnson was presented with the Arnold D. Tuttle Memorial Award, which carries with it world-wide distinction and a cash prize of \$500. The award is presented annually by United Air Lines to the scientist chosen as having carried out the most outstanding work in the field of aviation medicine.

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SEA WAR COMMEMORATED: The Battle of the Atlantic, the longest unbroken sea struggle in history, was commemorated on May 20 by present and former personnel of Canada's Navy and veterans of the Merchant Service.

The third Sunday in May is set aside each year as a reminder of the bitter, drawn-out fight to preserve the Atlantic lifeline, and to honour those Canadians who lost their lives at sea in the Second World War.

Special services were held on board HMC ships at sea, and in many cities across Canada serving and former naval personnel paraded to churches for Battle of the Atlantic Sunday observances.

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BC WHALE HARVEST: Whaling operations off the west coast of Vancouver Island, BC, during the 1955 season produced 630 whales from the six killer ships operated by British Columbia Packers, Limited. The catch was equally as good as that of the previous season when the same number was taken, which marked the largest catch for a great many years. In 1953 the total catch was 539 whales.

AIR TRAFFIC CONTROLLERS GRADUATE: Certificates were presented recently to 26 students who had successfully concluded a three-months training course at the Department of Transport's Air Traffic Control School at Malton Airport outside Toronto.

This was the second graduation ceremony since the school was inaugurated last November to supply the growing demand for air traffic controllers in Canada. The school provides students with a three-month intensive training in theory. Next they go on assignment to air traffic control centres in eastern Canada for three months of supervised practical training, at the conclusion of which they receive appointments in the Department of Transport's Civil Aviation Branch.

A similar school is operated at Winnipeg to serve Western Canada. The graduating class will finish their training at control towers in the district air services of Toronto, Montreal and Moncton.

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ATOMIC COURSE FOR EXECUTIVES: Twenty-three presidents, vice-presidents and other executives of various pulp and paper companies recently took a two-day course on the fundamentals of atomic energy at Chalk River.

Sponsored by Atomic Energy of Canada Limited as part of the company's policy of encouraging private industry to participate in the Canadian atomic energy programme, the course for members of the Canadian Pulp and Paper Association placed special emphasis on atomic power and other industrial applications of nuclear reactors.

The course included lectures on radioactivity, nuclear reactors in general, the atomic plant to be built at Des Joachims, and the economics of atomic power. Lectures were followed by tours of various Chalk River laboratories and the NRX and NRU reactors.

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SEA TESTS FOR COPTERS: An experiment to test the feasibility of operating helicopters from escort vessels will be carried out by the Royal Canadian Navy this summer.

Approval has been given for the installation of a helicopter platform on the frigate HMCS Buckingham, based at Halifax. Work on the installation is expected to be completed in July and trials with helicopter landings and take-offs will begin immediately after. The trials will be conducted in various weather and sea conditions.

Factory sales of electric storage batteries and parts rose in value in March to \$2,100,-965 from \$1,887,483 in the corresponding month last year and to \$6,154,099 in the first quarter from \$5,835,706.

AGRICULTURAL PRODUCTION INCREASES: Canada's 1955 index number of the physical volume of agricultural production, on the 1935-39 base, stood at 150.1, a gain of approximately 33 points or about 28 per cent over the revised estimate of 117.4 for 1954 and compares with the all-time high of 166.0 established in 1952.

This substantial increase in production in 1955 over 1954 is attributable in large part to the much larger grain crops harvested in the Prairie Provinces. Contributing also to the increase were larger outputs of dairy products, potatoes and livestock. On the other hand, smaller production was recorded for poultry, sugar beets, tobacco and maple products.

Production increases occurred in all provinces except Prince Edward Island and ranged from less than 1 per cent in Ontario to more than 100 per cent in Saskatchewan. Production in Prince Edward Island was down nearly 5 per cent in 1955 as compared with a year earlier.

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SEA-FISH PRODUCTION: Large catches of herring on the Pacific coast and haddock on the Atlantic boosted landings of sea-fish in Canada in March to 107,918,000 pounds from 45,680,000 a year earlier, an increase of 136 per cent. The value of the landings jumped 55 per cent to \$2,948,000 from \$1,908,000.

Landings of sea-fish on the Pacific coast advanced 67,708,000 pounds versus, 5,123,000 a year ago with a total value of \$1,152,000 as compared with \$244,000 last March. Herring, at 63,115,000 pounds valued at \$899,000, was the main contributing factor in the increase. First-quarter totals for 1956 rose to 326,-269,000 pounds valued at \$5,063,000 from 127,-899,000 worth \$2,051,000.

On the Atlantic coast the total catch declined to 40,210,000 pounds from 40,557,000, despite an increase in the catch of haddock in Newfoundland and cod in Nova Scotia. January-March totals show an increase in landings to 132,510,000 pounds worth \$5,869,000 versus 106,710,000 pounds valued at \$5,005,000.

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GYPSUM INDUSTRY IN 1954: Factory value of shipments from Canada's gypsum industry in 1954 grossed \$7,096,000, down about 4 per cent from the previous year's \$7,400,000, according to the Dominion Bureau of Statistics annual report on the industry. At the same time shipments of gypsum increased 2.8 per cent to 3,950,000 tons from 3,841,000 a year earlier.

From the Atomic Development Centre at Chalk River, Ontario, comes a new term for distinguishing the two Wolf Cub Packs in that community (usually referred to as A and B) - one group is called Atoms and the other Pack is called Neutrons.

CANADA SHARES IN AIR NAVIGATION TESTS: At the request of the United Kingdom, Canada will co-operate in evaluation trials of a new trans-Atlantic air navigation system to be installed this year that will be the first attempt to give complete area coverage to the North Atlantic air route. At present, the North Atlantic area is served by different types of long-distance aids to navigation, none of which provide complete coverage. The evaluation trials are to be undertaken at the suggestion of the International Civil Aviation Organization (ICAO).

Canada is vitally interested in the possibilities of any system that can supply complete air navigation coverage of the North Atlantic route, as its airport at Gander, Newfoundland, provides the first landfall for westbound trans-Atlantic air traffic and the jumping-off place for eastbound planes. There are at present several systems that offer this possibility.

In the North Atlantic area, during the busy season, there are more than 100 aircraft in the air out of Gander for long periods of the 24-hour day. As a result, these designated airlanes are being filled to near capacity and, with the introduction of jet, turbo jet, and other aircraft capable of operating at great speeds and at high altitudes, the enforcement of adequate safety standards can result in flights being delayed or cancelled.

TRIAL STATIONS

Temporary installation of two DECTRA stations in Canada will take place to facilitate operation trials of this new long-distance radio aid to navigation developed by the Decca Navigator Company Limited. These stations will be located at Comfort Bay and Thorburn Lake near Gander, Newfoundland. They are intended to operate in conjunction with two similar stations at Prestwick, Scotland, and it is expected that a thorough evaluation test will be possible in 1957.

The DECTRA System employs two stations spaced approximately 80 miles apart at each terminal. It is claimed that transmissions from the two pairs of stations will produce lanes approximately parallel by means of which aircraft flying on similar tracks will be able to fly with small but safe lateral separation. A track provides the aircraft with a fixed path while a range pattern registers the distance the aircraft is from its destination and point of departure.

Under existing systems, the aircraft crew is called upon to undertake time-consuming chart plotting. Under the system to be tested, a standard flight log will be mounted in the cockpit of aircraft. In accordance with tracking and ranging information, a moving pen will indicate on the chart the position of the aircraft enabling the pilot to read his distances from Prestwick and Gander and to see at a glance any deviation from the allocated track.

IMPROVE ATHABASCA-MACKENZIE WATERWAY: With the purpose of improving navigation on the 1600-mile Athabasca-Great Slave-Mackenzie waterway from northern Alberta to the Arctic Ocean, the Department of Transport is starting a programme this summer that will more than triple the number of navigation aids on this inland water route.

A new district marine agency, the eleventh in Canada, has been established at Fort Smith, Northwest Territories, to oversee the Department's increasing duties in the Northwest Territories and western Arctic.

The volume of traffic carried over the route, which extends from Waterways, Alberta, 200 miles north of Edmonton, to Aklavik and Tuktoyaktuk in the Mackenzie River Delta, has increased by 282 per cent over the past ten years. Freight in 1955 amounted to 162,000 tons. A further 43 per cent increase this season, to 231,500 tons, is expected.

The Athabasca-Great Slave-Mackenzie waterway presents many major problems. The channel of the Athabasca River for a distance of 120 miles north of Waterways, and in the area where the river enters Lake Athabasca, is shallow. From break-up in early May until mid-August, barge drafts of 3½ to 4 feet are possible. From then on, the water-level drops until, at the close of navigation in mid-September, it is only about thirty inches. Some years have seen the level reduced to eighteen inches.

PHYSICAL OBSTACLES

The only non-navigable section in the 1600-mile waterway is between Fort Fitzgerald, Alberta, and Fort Smith, NWT. Twelve miles of rapids on the Slave River make it necessary to portage cargoes overland by road. Tugs, barges and other floating equipment are moved across the portage on trailers to Fort Smith and slipped back into the river for use on the northern section of the water route.

For long stretches there are at present no navigation aids. The channel is crooked and in many places changes from year to year; it is so narrow in a few sections that boats cannot pass one another. Until recently these sections have been navigated by masters and pilots with considerable local knowledge. Now, with the increasing heavy traffic, transportation companies operating in the area have built up their fleets to the point where there are no longer enough men sufficiently familiar with the route to navigate safely without aids. Besides the four main transportation companies, the waterway is used by fishermen on Lake Athabasca and Great Slave Lake, RCMP patrol vessels, Department of Transport and Department of Northern Affairs personnel and missionaries and private traders. The navigation period varies throughout the length of the waterway because of its north-south orientation. The stretch from Norman Wells to the Arctic may continue icebound for a week or even two after the Athabasca River section is open.

Because of the shallow waters, most freight is carried in barges, usually in groups of three, pushed or towed by shallow draft tugs with specially-built "tunnel" sterns to keep the propellers clear of the mud.

The Department of Transport now has one 65-foot vessel on the waterway and is proceeding with plans for two 45-foot steel diesel-powered craft. Meanwhile, arrangements are being made to charter two boats to cope with the immediate task of getting in as many navigation aids as possible this summer.

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CANAL FREIGHT TRAFFIC IN 1955: Volume of freight carried through the 11 Canadian canals during 1955 amounted to 34,874,198 tons, a gain of 4,803,497 tons or nearly 16 per cent over the preceding year's 30,070,701 tons, according to advance figures released by the Dominion Bureau of Statistics.

Freight traffic on the St. Lawrence canals rose 19 per cent to 11,446,620 tons from 9,637,034, and the Welland Ship canal showed a similar gain in weight of cargoes to 20,893,572 tons from 17,514,258. Increases in shipments of rye, bituminous coal, iron ore, and fuel oil were mainly responsible for the rise in traffic through the St. Lawrence canals, while larger shipments of oats, barley, bituminous coal, iron ore, crude oil and gasoline contributed to the advance in the Welland Ship canal traffic.

Cargoes shipped through the Sault St. Marie canal dropped nearly 16 per cent to 2,201,075 tons from 2,607,968 in 1954. Of the smaller canals, the Rideau, Trent and Richelieu River canals had a decrease in freight traffic but this was more than off-set by increases on the Ottawa River, Murray, St. Andrew's and St. Peter's canals. The Canso canal, which was only open to traffic in the latter part of the 1955 season of navigation, handled a total of 13,199 tons.

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CANADIAN ASSISTANCE

TO THE PEOPLES OF ASIA

(Continued from P. 2)

Asia and other underdeveloped areas. The merging of highly technically advanced nations in the field with very underdeveloped and non-technically minded people presents an enormous number of very complicated problems. Whereas the first thing a child in our home stumbles over is his mother's vacuum sweeper or some other piece of electrical equipment, the only thing the child in the Asian village knows is how to twist the bullock's tail to make him go a little faster. The two states of mind are vastly different and to bring them together and still more important, to forge a friendship between them in the process, is not an easy task. But I think I can say that we are slowly accomplishing it..."



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VIGILANCE REMAINS THE PRICE OF PEACE

CANADA'S EFFORT AT HOME AND ABROAD: "The state of international tension today is ironic because it exists at a time when many parts of the world have achieved a level of prosperity and material well-being heretofore undreamed of..." declared the Minister of National Health and Welfare, Mr. Martin, in a speech to the Royal Canadian Air Force Association in Windsor, Ontario, on May 17. Mr. Martin admitted "the prospects for the future" to be "even more dazzling," but added that "whether we have a future at all - whether the flowering of human genius will grace a nuclear graveyard - depends upon our ability to prevent the outbreak of war."

"The avoidance of war is the common denominator of all our policies in the military, political, economic and social spheres," the speaker went on, illustrating his thesis as follows:

"...I should like to deal with four areas in which Canada is making an essential contribution towards the achievement of peace in the world. Each of these spheres of activity is distinct and separate and yet all are closely related to the same over-all objective.

"First, there is our national defence programme. Obviously, we can contribute little to the security of others if our own is not intact. The seriousness with which Canadians regard this matter of national defence is evident in the fact that our defence expenditures for the current fiscal year are expected

to amount to nearly \$1.8 billion - a full 40 per cent of our total federal budgetary outlay, or forty cents out of every dollar in the federal budget. This total is equivalent to what all governments at every level in Canada are now spending on health, welfare and social security.

"While these expenditures naturally curtail what can be devoted to programmes for the development of our vast natural resources and for needed social welfare measures to help conserve our precious human resources, the Canadian people have shown no hesitation in giving defence needs the first priority.

"The backbone of our defence effort is, of course, our armed forces, and today we have some 116,000 officers and men maintained in a constant state of preparedness. In our Royal Canadian Navy - ever ready to protect our shores and sea-lanes - there are 44 warships in commission with 35 in reserve and 20 under construction. The Canadian Army has three infantry brigades and a mobile striking force at home as well as a brigade in Europe. The Royal Canadian Air Force maintains 17 regular squadrons in Canada and 12 in Europe. Nine of the regular squadrons in Canada are fighter squadrons equipped with long-range, all-weather CF-100 jet fighters. In addition, the Air Force maintains three maritime squadrons, four transport squadrons and one photographic squadron. And, of course, each of the three services is supported by its reserve component.

(Continued on P. 2)

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VIGILANCE REMAINS THE PRICE OF PEACE

(Continued from P. 3)

"In addition to maintaining the strength of our armed forces, we are engaged with the United States - which has now assumed tremendous obligations and responsibilities as a leader of the free world - in establishing a comprehensive air warning and defence system. This has been made necessary by the unpleasant fact that the Soviet Union is in possession of hydrogen bombs and the means of delivering them.

"In the past, the danger of attacks on North America was very slight indeed. If they had come, they would have been only diversionary in nature - aimed at tying down this continent's forces so that they could not assist in the defence of Europe. All that has now changed and we are faced with the real possibility of an attempt to strike a lethal blow on our two countries for the purpose of crippling our industrial potential and of destroying the retaliatory capacity of the United States Strategic Air Command on which our own safety and that of the whole free world depends to such a large extent.

"In order to meet this threat, the United States and Canada have undertaken the construction of an extensive radar warning and control system which, as my colleague the Minister of National Defence has said, would serve a threefold purpose should the need arise - to alert fighter aircraft to the approach of hostile bombers; to warn the civilian population of that fact; and to enable the powerful United States strategic bombing force to get off the ground and on its way to carry out its crippling, devastating, retaliatory blow at the enemy.

WARNING SYSTEM

"The construction of this vast warning system - which consists of the Pinetree system, covering the industrial heartland of our two countries; the Mid-Canada line, roughly located along the 55th parallel of latitude; and the Distant Early Warning line, located generally where the continental land mass meets the Arctic Ocean - is a task involving tremendous difficulties and very great expense but, without it, our other defence arrangements would be almost pointless.

"As I said a moment ago, one of the purposes of this early warning system is to alert the civilian population to the danger of an enemy attack. And this brings me to the second area in which Canada is helping to strengthen the deterrent power of the free world - civil defence....

"Since the objective of any enemy attack on this continent would be to deliver a knockout blow - one which would result in the disruption of our communications and the demoralization of our people - any steps which we take

to protect ourselves against such an eventuality will considerably lessen the effectiveness and thus the attractiveness to a potential enemy of such an attack. And this in itself increases the security of the free world since this depends to such a large extent on the maintenance of the retaliatory power of this continent:

"Unlike Canada's national defence programme, our civil defence efforts are not a purely federal responsibility. Indeed, civil defence is a joint concern involving many public and private agencies. While the Department of National Health and Welfare is charged with the task of planning and co-ordinating activities throughout the country and while provincial authorities have the responsibility for organizing civil defence projects within their jurisdictions, the main operational responsibility must inevitably fall on the local municipal authorities who have the day to day administration of fire, police, health and other essential community services.

EVACUATION PLANS

"In developing our civil defence plans, we have acted on the assumption that in spite of the protection provided by the early warning systems, enough enemy bombers might be expected to penetrate our defences to cause mass destruction. Accordingly, plans have been worked out for the evacuation of our large cities and successful test exercises have already been carried out at such places as St. John's (Newfoundland), Halifax, Brockville, Calgary and Brandon (Manitoba). In addition, civil defence organizations, in various stages of readiness, have been developed in no less than 350 Canadian communities while training has been provided for well over 80,000 civil defence workers of the nearly 200,000 persons enrolled in civil defence on either a duty or a volunteer basis.

"The Federal Government has carried its full share of responsibility in the field of civil defence. Indeed, it has taken much the largest part of the financial responsibility up to now and it will continue to do so in the future. Some provinces and some municipalities have given energetic direction to civil defence activities but, if our civil defence programme is to develop along sound lines, all the provinces and all the municipalities must be prepared to do their part in realistic awareness of their essential responsibilities in this field.

"While Canada's measures for national and civil defence are, in a sense, indirect contributions towards strengthening the defences of the free world, we have also played a more direct role through our membership in the North Atlantic Treaty Organization.

"This Organization, which was born out of the threat to peace in Europe in the late 1940's, stands today as perhaps the boldest attempt ever made in peacetime to weld the

GERMANY NAMES SUCCESSFUL SCHOLARS: The Department of External Affairs announced recently that the two scholarships offered to the Canadian Government by the Federal Republic of Germany for the academic year 1956-57 have been won by Mr. Ivo W. Lambi of Toronto and Mr. Alexander Farrell of Halifax.

The successful candidates were selected by the Awards Committee of the Royal Society of Canada in co-operation with the Embassy of the Federal Republic of Germany. Each scholarship is valued at 3,600 D M (about \$900.00 Canadian) and includes free tuition and free transportation from the German border to the place of study in Germany and return to the German border.

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SOVIET FISHERIES MINISTER TO VISIT: Minister of Fisheries, Mr. Sinclair recently announced that Mr. Alexander Ishkov, Minister of Fisheries of the U.S.S.R., has accepted the invitation of the Government of Canada to visit Canada this summer, and so return the visit Mr. Sinclair made to Russia last year.

Mr. Ishkov will arrive in Newfoundland on August 22. He will be accompanied by Mr. Igor Semenov, Deputy Minister of Fisheries, Professor Peter Moiseev, Director of the Vladivostok Fisheries Research Station and Mr. Alexander Verevkin, Director of the Sakhalin fisheries. Mr. Semenov and Dr. Moiseev accompanied Mr. Sinclair on his tour of the Soviet fishing industry.

The group will visit Newfoundland and the Maritime Provinces, and then proceed to the West Coast where, in the North Pacific, Canada and the U.S.S.R. have some common fisheries problems.

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ALUMINUM INDUSTRY: Value of aluminum products shipped from Canadian establishments declined 13.2 per cent to \$80,525,000 in 1954 from \$92,724,000 in the preceding year, according to the Bureau's annual report on the industry. Although there were 3 more establishments at 99 in 1954 than in 1953, the number of employees dropped to 7,003 from 7,738 and their earnings fell to \$23,814,000 from \$25,593,000.

Production of aluminum cooking utensils in this industry amounted to \$7,528,000, but concerns in other industries made aluminum-ware valued at \$448,000 boosting the total to \$7,976,000 as compared with \$8,187,000 in 1953 and \$8,142,000 in 1952.

Value of shipments of other aluminum products (1953 totals in brackets) were: castings (except die castings), \$5,493,000 (\$6,683,000); "other" castings (brass, bronze and magnesium), \$1,018,000 (\$1,702,000); die castings (aluminum base), \$630,000 (\$524,000); die castings (other base), \$8,000 (\$221,000); extruded shapes, \$7,097,000 (\$10,038,000); and all "other" products, \$59,050,000 (\$65,917,000).

SHIP CHANNEL TO BE DEEPENED: Transport Minister Marler recently released the report of the St. Lawrence Ship Channel Committee appointed in 1954, recommending further dredging of the St. Lawrence Ship Channel (from Montreal to below Quebec) under a four-year work programme. The programme includes the removal of some 15 million cubic yards of clay, silt and stone from the river, and will be followed by further dredging of an additional 32 million cubic yards of river bed material.

Mr. Marler said that the undertaking will involve the continuation of work already completed in widening the channel to a minimum width of 800 feet and in maintaining the depth of the channel at 35 feet. He added that dredging under the four-year programme would be started this Spring.

In its report, the Committee states that "the early completion of the Seaway west of Montreal, together with the industrial development already taking place and proposed in the Montreal area and eastward along the St. Lawrence, and the continued increase in number and value of larger and faster vessels using the channel, all point to the need of maintaining and if possible accelerating the programme of improvements of the St. Lawrence Ship Channel in the interest of safe and speedy navigation".

The report goes on to point out that about one-fifth of the dredged channel between Montreal and Quebec has already been widened to the proposed minimum width of 800 feet. "In addition to increased facility of navigation, this widening has already produced beneficial results in relief of ice congestion at critical points, increased safety of movement of icebreakers, and freedom of flow of broken ice."

The maintaining of the 113-mile channel at a depth of 35 feet is considered by the Committee to be a matter of growing importance. "Because of the increasing tendency towards larger and faster deep-draught vessels, the Committee recommends that the Ship Channel be maintained at its full charted depth."

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CANADA-GERMANY AGRICULTURAL TRADE: Agricultural commodities are by far the most important of Canadian exports to Germany, although there are signs that their relative importance is declining. Germany's pre-war position as the third or fourth largest buyer of Canadian agricultural commodities has been regained. By the end of March, West Germany had purchased nearly 40 million bushels of Canadian wheat covering the current 1955-56 crop and IWA year.

The more liberal import policy has already had results. During 1955 the import quotas granted for various processed foodstuffs in connection with German trade fairs were both widened and enlarged over those of previous years.

HEBREW ART DISPLAY: An exhibition entitled "Art of the Hebrew Tradition", consisting of Jewish ceremonial objects from Europe and Asia, was held at McGill University's Redpath Library, Tyndale Hall, recently, under the sponsorship of the Canadian Jewish Congress.

Brought to Canada by M.Y. Klein, Director of the Petit Musée, Montreal, and formerly an antique dealer in the Middle East, many of these objects recall the cultural life of Oriental and Eastern European Jewish communities, most of which were destroyed during the Second World War.

Included in the collection displayed was a bronze Chanukah Menorah from the 16th century, North Africa; a Shofar (Ram's Horn) from the Near East, with a richly engraved quotation from the Bible; an illuminated scroll of Esther, on parchment; and a Maimonides manuscript on marriage and divorce, written in Spain and addressed to Alexandria, Egypt.

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NEW ST. LAURENT CLASS DESTROYER: A second Canadian-designed and built destroyer escort, to be known as Her Majesty's Canadian Ship Assiniboine, will be commissioned on August 16 at Marine Industries Limited, Sorel, Quebec.

Immediately prior to the commissioning, the ship will be formally christened, with Mrs. Lionel Chevrier, wife of Mr. Lionel Chevrier, President of The St. Lawrence Seaway Authority and former Minister of Transport, acting as sponsor.

The Assiniboine will follow into service the first ship of the class, HMCS St. Laurent, which was commissioned at Canadian Vickers Limited, Montreal, last October 29.

Twelve more of the anti-submarine destroyer escorts are in various stages on construction. Two of these are to be commissioned late this year. Five more are scheduled to be completed in 1957, and five in 1958.

The Assiniboine sets a precedent for her class in being the first in the group to be fitted wholly with Canadian-built equipment. Although the class is of all-Canadian design, the St. Laurent contained some equipment manufactured outside of this country. However, Canadian industry is now geared to produce all equipment for the ships and the Assiniboine represents the first result.

The Assiniboine will become the second ship of the Royal Canadian Navy to be so named. The first Assiniboine, affectionately known as "The Bones," or "Old Bones," served with distinction in the Second World War. Commissioned originally as HMS Kempenfelt, a destroyer of 1,400 tons, she was purchased from the Royal Navy by Canada in 1939 and commissioned as HMCS Assiniboine. Being a River class destroyer, she received her name from the prairie river that rises in Saskatchewan and flows eastward to join the Red River at the city of Winnipeg.

NEW ALASKA HIGHWAY BRIDGE: A new \$2,500,-000 steel and concrete bridge crossing an arm of Nisutlin ("Quiet Water") Bay, at Milepost 803.4 on the Alaska Highway has been officially opened for traffic by Colonel F.H. Collins, Commissioner of the Yukon Territory.

The new bridge, 1917 feet long, replaces a 2,326-foot wooden trestle bridge. The old bridge, situated a few feet from the new one, was described by one Army engineer as "aside from the Leaning Tower of Pisa, the most unstable looking structure that somehow managed to survive."

The bridge is the 38th to be built since Canadian troops took over from the American Army on the Highway. Work was begun in February, 1954.

Engineers working on the project had to contend with unusually deep and spongy river foundations, driftwood and ice formations and the washing out of coffer dams in the spring of 1954.

Completion of the Nisutlin Bay bridge means that another permanent link has been forged in the Northwest Highway System to allow uninterrupted year-round traffic. To the Yukon it means yet another step towards a highway among the world's finest.

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REGIONAL CITIES PRICE INDEXES: Consumer price indexes increased in seven of the ten regional cities between the beginning of March and April 1956. Increases ranged from 0.2 per cent in both Saint John and Saskatoon-Regina to 0.9 per cent in St. John's. Indexes were unchanged in both Montreal and Vancouver and declined 0.3 per cent in Winnipeg.

Food indexes were up in all regional cities except Winnipeg. Higher prices were recorded in all cities for coffee, eggs, most canned and fresh vegetables, particularly potatoes, which were substantially higher in most cities. Prices moved to still lower levels in most cities for all beef and pork items, and margarine.

The shelter index remained unchanged in six of the ten regional cities and moved slightly upwards in the other four. The few changes in clothing prices resulted in slightly lower indexes in three cities, four were unchanged and three were slightly higher.

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URBAN TRANSIT SYSTEMS: The number of passengers carried by urban transit systems in February declined less than 1 per cent to 99,-933,000 from 100,489,000 a year earlier. Vehicle miles run increased to 17,287,000 miles from 16,584,000 and revenue climbed to \$10,458,000 from \$9,773,000. January-February totals show a corresponding relationship with passengers carried dropping to 201,536,000 from 206,271,000, vehicle miles run rising to 35,066,000 miles from 34,513,000 and revenue increasing to \$21,022,000 from \$20,094,000.

STRATFORD TO HEAR BRITTEN OPERA: Benjamin Britten's "The Rape of Lucretia", based on Andre Obey's play "Le Viol de Lucrece" will be presented in Canada for the first time at the opening concert of the Music Festival, July 7, the tenth anniversary of its first presentation.

Mr. Applebaum has announced the complete cast for the opera as follows: *Male Chorus* - Jon Vickers; *Female Chorus* - Jenie Tourel; *Colatinus* - Jan Rubes; *Junius* - Bernard Turgeon; *Tarquinius* - Harry Mossfield; *Lucretia* - Regina Resnik; *Bianca* - Patricia Rideout; *Lucia* - Adelaid Bishop.

Understudying these roles will be Theresa Gray, Angela Antonelli, Phyllis Mailing and Andrew MacMillan. Conductor of the opera is Thomas Mayer. The cast list reveals that five Canadian singers join three of the operatic world's outstanding performers for the presentation. Together with Thomas Mayer, New York is contributing sopranos Jennie Tourel and Adelaide Bishop and mezzo-soprano Regina Resnik who sings the title role.

The opera will be presented six times throughout the Music Festival. Opening the Festival on July 7, it will be repeated on July 10, 16, and 24 with matinee performances July 12 and 19.

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NEW AIR TRAFFIC REGULATION: George C. Marler, Minister of Transport, announced recently an Air Navigation Order which would bring all aircraft flying on Canadian airways between stated minimum and maximum altitudes under the jurisdiction of the Canadian air traffic control organization at all times.

Mr. Marler explained that this had been under consideration for many months and had been the subject of extensive discussions with the airlines, the aviation industry and owners and operators of aircraft generally.

Hitherto aircraft operating on Visual Flight Rules (VFR) had been permitted to freely operate in fine weather on the airways as well as anywhere off the airways. In future, all aircraft flying on the airways between a floor of 9,500 feet and a ceiling of 23,000 feet above sea level would be subject to air traffic control direction and regulation in clear weather as well as instrument weather (IFR); and would be required to file flight plans. For the area of the Rocky Mountains, minimum floor established was 12,500 feet west of Longitude 114, in order to take account of the higher flight necessary in this region.

Aircraft operating on ordinary Visual Flight Rules would still be able to fly on airways so long as they stayed below 12,500 feet in the area of the Rockies or below 9,500 feet elsewhere.

Mr. Marler pointed out that the Order would provide an area of reserved airspace on all airways in which any aircraft could operate with full knowledge that all other planes in

that area as well as his own were operating on flight plans with the knowledge of and under the control of the air traffic control organization. This should serve to spread air traffic over available airspace in an efficient and safe pattern.

* * *

ALBERTA POLLUTION EXPERIMENT: An experimental health project in Alberta for the oxygen replenishment of polluted streams is to get a federal public health grant of \$10,125 it was announced recently by Mr. Paul Martin, federal Health Minister.

Commenting on the project, Mr. Martin said it was viewed with great interest by the federal Health Department because the problem of polluted streams was of great concern in many parts of the country.

He said the purpose of the project, which got underway before the ice breakup, was to carry out research in an experimental area of the North Saskatchewan River as a further means of control in the abatement of pollution difficulties which have occurred during periods of ice cover downstream in the river.

Sanitary engineering officials doing the research hope that by replenishing the supply of oxygen, the decomposition of polluting materials will proceed normally and that the odours which have developed in the river water in the absence of oxygen will be reduced to acceptable limits.

* * *

T.B. DEATH RATES DOWN: Canada's death toll from tuberculosis, once referred to as the great white plague, dropped still further in 1955, continuing the spectacular declines of recent years, according to advance figures released by the Dominion Bureau of Statistics. The rate has dropped from 52.4 per 100,000 population in 1943 to 10.3 in 1954 and 8.9 in 1955 while the 1955 total of 1,382 deaths represented a new low and was the first year the number of deaths has fallen below 1,500.

The tuberculosis mortality rate for males was 10.8 compared with only 6.9 for females and in all provinces except Newfoundland the male rate was significantly higher than the female rate. Despite the drop for Canada as a whole the rates for the three western-most provinces moved upward in 1955, particularly for males. In Saskatchewan the male rate rose from 4.8 to 7.1 while in Alberta it moved upward from 6.3 to 9.2 over the past two years. However marked fluctuations in these particular rates are less significant because of the small number of cases involved.

Canada's figures are in line with a general international trend in the reduction of tuberculosis death rates. Over the past ten years the rate for England and Wales has declined from 62.8 per 100,000 population to 20.2 and in the United States from 41.4 to 12.6, both countries now having rates higher than Canada.

VIGILANCE REMAINS THE PRICE OF PEACE

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forces of many nations into one co-ordinated defence force for the defence of all. In some quarters NATO has been portrayed as an aggressive alliance dedicated to furthering the war-like policies of the United States. We know, however, that nothing could be further from the truth - that far from being a threat to other nations, NATO has acted as a protective shield against possible aggression.

"Canada's role in NATO has been substantial. We have provided an infantry brigade and 12 squadrons of Sabre Jet fighters in Europe; we have shared the cost of building airfields, communications and other vital facilities in Europe; we have contributed military equipment to our allies totalling nearly one and one-quarter billion dollars - including our air training scheme under which nearly 4,000 NATO airmen have been trained in Canada....

"NATO has made a great contribution to the prevention of military aggression. It stood firm in the face of the Soviet military threat and it must continue to stand firm now that this threat appears to have subsided. There is evidence of change in Soviet policies at home and abroad, some of which may be attributable to the lessons taught by the collective action of NATO. Some of these changes give ground for hope and should be encouraged. None of them, however, as yet justifies any relaxation of our defensive strength in NATO. We must continue to welcome whatever opportunities there may be for co-operation and better relations arising out of the attitude of the Soviet leaders but at the same time refuse to be beguiled by hopes which are premature.

NATO NEW LOOK

"This is a danger that must be faced. Our defensive strength and unity must be maintained for there is little evidence to suggest that the Soviet Union has abandoned its ultimate objectives. At the same time, we must find new methods of political and economic co-operation to meet the latest Soviet strategy of 'competitive coexistence'. A step in this direction was taken at the recent meeting of the North Atlantic Council in Paris when the 'Three Wise Men' - one of whom is our own Secretary of State for External Affairs, the Honourable Lester Pearson - were appointed to explore new avenues for closer political and economic cooperation among NATO's 15 members.

"Mr. Pearson has long advocated greater emphasis on the role of NATO in the sphere of economic and political cooperation. As he said recently:

'NATO cannot live on fear alone, nor can it become the source of a real Atlantic community if it remains organized to deal only with the military threat which first brought it into being. A new emphasis, therefore, on the non-military side of NATO's development is essen-

tial. It would also be the best answer to the Soviet charge that it is an aggressive, exclusively military agency, aimed against Moscow'.

"The North Atlantic Treaty Organization was, of course, organized within the terms of the United Nations Charter and this brings me to the fourth and final area in which Canada is helping to build the deterrent strength of the free world. Indeed, it is to the United Nations that we and other free peoples must look for our ultimate security. For while we can build our defensive strength through programmes of national and civil defence and through regional arrangements such as NATO, these measures are in a sense temporary stop-gaps - stop-gaps until the United Nations itself is able to assume its responsibilities for the maintenance of international peace and security.

"That the United Nations has the potential power to carry out this function was evident in the Korean conflict when forces from many lands fought side by side under its blue and white banner and put a stop to aggression on that troubled peninsula.

"Canada has given and will continue to give its wholehearted support to the efforts of the United Nations to speed the social, political and economic development of its member nations and to encourage peace in the world. Several recent examples come to mind. Canada was a member of the United Nations committee which recently reached unanimous agreement on a draft statute for an International Atomic Energy Agency to help harness the atom for peaceful purposes. Canadian experts are serving on a United Nations committee to study the effects of atomic radiation. And the Canadian Delegation to the Tenth General Assembly played a leading role in negotiations resulting in the admission of sixteen new members to the United Nations - thus helping to break a ten-year deadlock on this question...."

* * *

LABOUR INCOME UP: Canadian labour income in February amounted to an estimated \$1,093,-000,000, up \$97,000,000 or 9.5 per cent from a year earlier. This rate was slightly higher than the over-the-year percentage increase of about 9 per cent prevailing since October. For the two months, January and February, labour income totalled \$2,173,000,000 versus \$1,987,-000,000.

All industry groups shared in the rise in February: agriculture, forestry, fishing, trapping and mining to \$77,000,000 from \$68,-000,000 a year ago; manufacturing to \$358,-000,000 from \$327,000,000; construction to \$68,000,000 from \$57,000,000; utilities, transportation, communication, storage, trade, to \$282,000,000 from \$257,000,000; finance, services, to \$269,000,000 from \$252,000,000; and supplementary labour income to \$39,000,000 from \$35,000,000.



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TOWARD A STRONGER ATLANTIC COMMUNITY

NATO MUST DEVELOP: The twentieth century has seen "changes that...render obsolete many of our old concepts of national sovereignty and...make essential the growth and acceptance of the ideal of supra-national association," Mr. Pearson, Secretary of State for External Affairs, told the English Speaking Union in London, England, on April 30. "This does not mean, however," he added, "that we should move at once into world government or some form of Atlantic union or broad political federation with a central legislature and executive, a common citizenship, currency and budget, a single foreign policy and defence establishment under central control..."

The more modest and realistic conception of interdependence that he had in mind was discussed by Mr. Pearson as follows:

"Our ultimate destiny - to safeguard our very existence - may require some form of federalism on a regional or even a wider basis. But meanwhile we have to work with the institutions which exist today and attempt to adapt them for the more ready and efficient and equitable solution of our current problems. This is, I suggest, a necessary and practicable task, and the insistent demand for something more far-reaching to be achieved immediately may at times be an obstacle to its accomplishment. In any event, the formal surrender of sovereignty, in its old form, is not now so decisive an issue as the provision of a new assurance through adequate international

measures that power, traditionally the main attribute of sovereignty, will not be used for wrong purposes and against the general interest. The decisive factors, therefore, are those which determine policy: above all, which bring about a sound and sensible public opinion which alone makes it possible for democratic governments to adopt sound and sensible policies: or should the sequence be reversed?....

"It surely does not take much hard thinking to come to the conclusion that in their own interest, nation states should work together toward supra-national communities.

"Such communities can grow in different ways and from different sources. Our Commonwealth of Nations, for instance, has evolved from an imperial centre through the transformation of colonial dependencies into free states who have chosen to remain in political association with each other and with the parent state. Evolution without revolution has been of unique value not only to the nations most directly concerned, but to the world at large....

"Another impulse to international community development comes from the realization by contiguous nations, with shared political ideas and traditions and interests, that they would be much more adequately equipped to face the political and economic problems, and exploit the political and economic possibilities of today if they could remove the boundaries and

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TOWARD A STRONGER ATLANTIC COMMUNITY

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barriers between them: in short, become integrated.

"The contemporary illustration of this trend which first springs to mind is, of course, the move toward European unity. It is a move which must surely commend itself first of all to Europeans themselves, who must remember best how much their continent has suffered from disunity; more especially from the tragic feud over the centuries between Gaul and Teuton. The movement will also, I believe, be welcomed by non-Europeans of good will - this certainly includes Canadians - who see in it not merely the strengthening of the shield against aggression from the East, but also a more solid foundation for the prosperity and progress of the united peoples of Western Europe who are such a vital part of the Atlantic community. I hasten to add, however, that as a strong believer in the freest possible kind of international trade, Canada's approval of the economic aspects of European integration, without which I suppose the political could not take place, is given on the assumption that in this case the whole, while greater, could not be higher, more restrictive, than its parts. I am thinking of restrictions in the way of trade, of course, about which a country which exports as Canada does, about one-third of its gross national product takes a somewhat jaundiced view, one which would be fully understood by a country like the United Kingdom which has flourished and grown great by its commerce with all parts of the world.

USES OF UNITY

"We should, I think favour European unity for another reason. Western Europe has great resources of wisdom, strength and energy which, along with its traditions of freedom and culture, qualify it to play a powerful and constructive part today in world affairs. It can play this part most effectively, if the area of united or at least closely co-ordinated political action is enlarged....

"I appreciate, of course, that while this country is part of Europe - history provides grim as well as glorious reminders of that connection - it has also a wider destiny and wider interests. The world owes much - some states indeed owe their very existence - to the fact that the vision of the British people has ranged across the oceans as well as across the channel. I do not forget this debt when I express the hope that this country, so rich in political sagacity, so steeped in political experience, and which has provided Europe with imaginative leadership more than once in history, will play an active and constructive part in the efforts now being made by European states to adapt themselves to new conditions

which require their closer association. Such a part would represent an important contribution to the development of something more important and far-reaching even than European unity itself - namely the Atlantic community.

"I see in that community three essential parts: a North America which must not lapse into continentalism; a Europe whose free and democratic countries must achieve the greatest possible unity, both for defence and development and to ensure that no one of them will dominate the others; and finally, the United Kingdom, the bridge between the two, linked to Europe indissolubly by many ties and perhaps, above all, by the complete disappearance of the Channel in the air-atomic age; but linked also to North America in a unique way, because that continent - I hope that I will not be misunderstood in putting it this way - is now occupied by two former English-speaking colonies; one of which is proud to retain its political and monarchical association with the 'Old Master'.

NATO SURVIVAL

"We have now laid the foundations of this Atlantic Community in NATO. Indeed that may be the most important thing that we did when we signed in Washington seven years ago the treaty bringing this international organization into being. On the other hand, what we did then may prove to have been as insubstantial and ephemeral as the signatures attached to many an international agreement which at the time seemed a veritable Magna Carta, but whose very name can now be found only in some doctrinal thesis. The near future will tell. There is no assurance yet that NATO will survive the emergency that gave it birth. That emergency was itself born of the fear - for which there was sufficient evidence - that unless the Atlantic countries united their resources and their resolve to defend themselves, they might succumb to aggression one by one. It seemed clear when the NATO pact was signed, even to the mightiest power, that national security could not be guaranteed by national action alone. So we built up our collective defences and by our unity and strength have made NATO into a most effective deterrent against aggression. In doing so we have removed the greatest temptations to aggression; disunity and weakness.

"If however, international tension now seems to ease, and the threat of direct military attack to recede, the fear which brought NATO into being in the first place will also recede, and the temptation to relax our defence efforts and indulge in the luxury of dissension and division will increase.

"We may, in fact, be approaching a period - if, indeed, we are not in it - when NATO will lose much of the cohesive force which has hitherto held it together. There are those who are counting on this loss being fatal to the whole concept of NATO and the Atlantic community.

UNIVERSITY ENTRANCE AWARDS LIST: Details of scholarships and bursaries available to high school graduates for entrance to Canadian universities and colleges are contained in the newly-revised Dominion Bureau of Statistics publication "Undergraduate Scholarships and Bursaries".

The awards are listed in three main groupings - those open to residents of more than one province at institutions in more than one province, those open to residents of single provinces and tenable at more than one institution, and those tenable only at single institutions. Information on a total of 637 groups of awards is given with details for each, including the name, field of study, number, duration, conditions of eligibility and information on where tenable and where to apply.

Awarding agencies include federal, provincial and municipal governments, charitable foundations and service clubs, industrial organizations, as well as those offered by 34 individual institutions of higher education. Information on those awards open to students of other countries is also included.

* * * *

MINISTER REVIEWS RMC GRADUATES: A graduating class of 100 cadets of the Royal Military College, Kingston, Ontario, was reviewed by the Honourable Ralph Campney, Minister of National Defence, on May 14.

In addition to a display of physical training and gymnastics, there was a ceremonial parade, after which Mr. Campney presented academic prizes to all classes and diplomas to the graduating cadets.

Highlight of the ceremonies was the presentation by Mr. Campney of the Sword of Honour. It is awarded annually to the cadet who obtains the highest combined total marks for leadership, conduct and military deportment in both his third and fourth years.

After the ceremonies, the Defence Minister addressed the graduates, their families, friends and RMC faculty members.

A graduation ball was held in the evening.

* * * *

SOLDIERS STUDY SEAWAY: Four young officers of the Royal Canadian Engineers have a role in one of the greatest construction projects of our times - the St. Lawrence Seaway.

The four, all engineering graduates and soldiers of the Regular Army with active service records in either the Second World War or Korea, have been attached to the Seaway Authority and are carrying out duties as inspectors in various phases of the huge construction project.

The arrangement between the Seaway Authority and the Canadian Army for the attachments was designed to give young engineer officers a chance to keep abreast of the latest developments and procedures in civilian engineering practice.

Each of them is being given an opportunity to observe and actually take an active part in the many aspects of the work. This includes employment both in office and construction jobs. Much of their time is given to inspecting work that has been let out by the Seaway to various contractors. In these instances they check to see that the required specifications are being met.

Other jobs they have taken on include many types of time studies, checking contract estimates, compiling exports, and ground work with excavation and construction crews. Each officer has found work on the Seaway vastly interesting and all agree that many lessons are being learned that will prove of value on their return to Service duties.

* * * *

TOP PIANIST FOR STRATFORD: Featured performer of the Music Festival running in conjunction with the Shakespearean Festival at Stratford this summer will be the celebrated concert pianist, Claudio Arrau.

In his first appearance in Stratford, on July 14, an all-Beethoven concert, Mr. Arrau will play Concertos 1 and 5 with the Festival orchestra under the direction of Heinz Unger. Dr. Unger will also conduct the orchestra in the Beethoven Seventh Symphony, the other work on the programme. This entire programme will be repeated July 17. In concerts on July 23 and July 26, Mr. Arrau will play the music of Mozart and Beethoven and, in a special concert on August 4, the music of Chopin and Schumann - including the Schumann Trio in D Minor, with assisting artists Albert Pratz, violinist and Isaac Mamot 'cellist. Mr. Arrau will conduct the Royal Conservatory of Music Master Classes in piano in Stratford for two weeks beginning July 23.

* * * *

FIRST SEX DEVIATE CLINIC: Canada's first clinic for sex deviates was opened earlier this month in Toronto by the Ontario Department of Health. It is to function as an adjunct of the University of Toronto.

The clinic is planned as the first of a series to be established in university cities across the province. The second will probably be in London, where it would operate in co-operation with the University of Western Ontario.

The new clinic, to be called the Forensic Clinic, is on Queen's Park Crescent, in what was formerly a nurses' training school. The Health Department set aside 14 rooms for it.

It is planned to make this the most modern examination and treatment centre for sex offenders. The director will have only two full-time assistants and one part-time to begin with, but it is expected the staff will expand rapidly as the courts and the public become more familiar with the services available.

CANADIAN MARKSMEN OUTSHOOT GERMANS: The first small arms competition between Germans and Canadian soldiers, held recently at Soest, West Germany, was won by the 2nd Canadian Infantry Brigade team.

The "Sports-Schuetzen Club" of Soest, the best of five shooting clubs in the old Hanseatic town, challenged marksmen of the Canadian brigade to a three-weapon challenge trophy "shoot". Weapons used were the Canadian .303 Lee-Enfield rifle, the .22 Belgian rifle and German air rifles.

The weapons were fired on the 4th Belgian Brigade's rifle range south of Soest. The air rifle was fired in the indoor range of the German shooting club.

In the .303 match the Canadians scored 515 and the Germans 456. Firing the .22 rifle were members of units at Fort Henry, who scored 525 against 515 for the Germans. The Germans came into their own when the contest moved to the indoor range, scoring 666 against the Canadians' 617.

The aggregate score for the Canadian Brigade team was 1657 and for the German club 1637.

* * * *

MORE OF CANADA ON THE MAP: This summer will again see ten Army Survey Establishment teams at work on their job of mapping Canada's 3,845,744 square miles. The teams will co-operate with other government mapping agencies.

Most of the teams will have left for their various destinations by mid-May and will spend four months in the field, surveying the topography and physical features of the country.

Depending on the nature of the area being mapped, transportation will be by helicopter, canoe, power-boat, pack-horse, truck and old-fashioned "Shanks Pony". Some teams will be fortunate enough to live in buildings or prefabricated huts this summer, but the majority will rough it in tents.

A seven-man team will invade the far northern reaches of the Northwest Territories in the region of the Eskimo Lakes near the Beaufort Sea east of Aklavik. Included in the team will be two civilian helicopter pilots who will work in shifts, to take full advantage of the long summer hours of daylight. The work in this area will consist of altimeter heighting, a method used to obtain ground elevations.

The big job of control photography for mapping the area in the vicinity of the Distant Early Warning Line is being handled under civilian contract for the Army Survey Establishment.

The contractors, using special equipment and working from Southampton Island and Pelly Lake, NWT, will establish horizontal control photography for an area of over 100,000 square miles along the edge of the Arctic Ocean, thus producing accurate maps of the region.

MOST ANCIENT CANADIANS: Archaeology is coming into its own in Canada, with expeditions from several universities going into the field every summer. Clay pots have been found in North Simcoe which prove that there was a civilization in that area at least 2,500 years B.C.

Since 1934, skilled archaeologists of the Federal Government, the Royal Ontario Museum, and the University of Western Ontario have been directing the task of uncovering the sites of Indian villages and of the first European outposts in Ontario. At the site of the first Fort Ste. Marie they have discovered what is probably the first waterworks, canal and sewage system constructed north of Mexico.

Out west, Manitobans treasure the bells of Red River, from the 100-pound church bell sent to the baby settlement of Lord Selkirk in 1819, through a long line of school bells (one of which had formerly been used as a fog warning) to the chimes of St. Boniface, which, incidentally, crossed the Atlantic five times, caused the first recorded strike in this country, and inspired a poem by John Greenleaf Whittier. Calgary has its first schoolhouse, a typical foot-hills cabin of the early days, and a red river cart, visited by thousands of people every year. The Pacific coast is restoring its Indian totem poles.

These things have been saved by the vision and effort of people aware of the significance of the past, not only because of its material influence upon our present way of life but because of its inspiration. The antiquities are not worth much money (our forefathers had small riches) but they are beyond price as part of our heritage.

The letters and documents preserved in the Canadian Archives, in museums such as Bytown Museum in Ottawa and Château de Ramezay in Montreal, and in university and private collections, recreate in warmly human terms the people who wrote and used them.

* * * *

PPCLI TROOPS COLOURS IN GERMANY: The centuries-old ceremony of trooping the colour was re-enacted at Hemer, West Germany, on May 15 by the 1st Battalion, Princess Patricia's Canadian Light Infantry.

The ritual, one of the oldest and most impressive of all military ceremonies, was performed at Fort MacLeod, in Hemer, present location of the battalion.

A feature of this year's trooping was the attendance, for the first time in history, of several German officers and men of the newly-formed "Bundeswehr". In addition, many distinguished international guests viewed the spectacle.

Originally the regiment's Colonel-in-Chief, Lady Patricia Ramsay, grand-daughter of Queen Victoria, was to have taken the salute at the trooping. But ill health prevented her from attending the event.

NATIONAL HEALTH PROGRAMME TODAY: "...Since the introduction of the National Health Programme, federal grants totalling some \$80,000,000 have been approved to help provide accommodation for upwards of 80,000 patients, infants and nurses. This figure includes 7,702 bassinets for the new-born and 10,709 beds in nurses' residences. Of the 61,873 beds for adult hospital patients, 35,840 are for active treatment, 6,085 are chronic or convalescent beds, 15,617 are beds in mental institutions and 4,331 are for tuberculosis patients.

"This is a truly remarkable co-operative achievement and one that exceeds the objectives set out in 1948 when the Programme was inaugurated. However, in assessing the results of this massive hospital construction programme it should be remembered that during the same period there has been an increase of 25 per cent in the population of Canada, from 12,800,000 in 1948 to an estimated 16,000,000 today.

"It should also be remembered that the new construction that is taking place has been designed in many cases to replace out-moded and inadequate accommodation. As a result, the net gain in the nation's total hospital capacity is not so great as a mere recital of the figures would seem to indicate. While the need for beds in tuberculosis sanatoria has been largely met, there are still serious shortages in accommodation for the mentally ill and for chronic and convalescent patients, and the number of active treatment beds has not yet reached adequate levels in all parts of the country....

"When the National Health Programme was inaugurated, the Federal Government recognized the great need for additional chronic and convalescent beds by providing a larger grant for this type of accommodation - amounting to \$1,500 a bed in place of the normal \$1,000 provided for active treatment beds. Despite the encouragement offered by these higher grants and the fact that facilities for the chronically ill are usually less expensive to construct and to maintain than active treatment beds with all the necessary facilities they require, it is disappointing that less than ten per cent of the total new construction initiated over the past eight years has been devoted to the needs of the chronically ill.

"And here I might emphasize that the federal hospital insurance proposal now being considered by the provinces envisages an acceleration of the development of rehabilitation programmes for the chronically ill and provides for the hospital care of patients suffering from chronic conditions in chronic and convalescent hospitals.

"It has been suggested in some quarters that the federal proposal does not go as far as might be desirable. While medical care insurance is not included, I can say with complete conviction that the hospital benefits

are more extensive than those presently provided by any government, voluntary or commercial plan in operation anywhere in Canada. There has been much talk of 'catastrophic insurance', but again it must be emphasized that this federal offer covers all legitimate hospital bills whether they be of a short-term nature or of catastrophic proportions.

"A programme such as this would not, of course, cover the extra cost of private or semi-private care but all patients, whether they be in public wards or in private accommodation, would be entitled to the cost of public ward care. Patients in private rooms would only be responsible for the differential charge for this type of accommodation. I should also like to emphasize that this programme does not envisage any interference with existing hospital practices but rather is concerned with ensuring that these services are available to patients when needed and on a more orderly financial basis....

"It should be emphasized that the present health insurance proposal has been arrived at only after long and careful study and much extensive ground-work. As the late Prime Minister said when the National Health Grants were inaugurated in 1948, they were to be regarded as first stages in the development of a system of health insurance and would serve to lay the necessary foundations. These foundations have been well and truly laid. Their evidence is seen in new and improved health services and facilities that have been established in all parts of Canada. Now that this necessary ground-work has been done, it is possible to plan the introduction of a system of hospital insurance, secure in the knowledge that facilities are in existence to ensure that the services envisaged in this plan can be provided.

"...In a country like Canada, real progress on major problems such as this can only be achieved if all governments are prepared to work together co-operatively in search of the most satisfactory solution. I have every confidence that the same spirit of co-operation that has made possible the success of the first eight years of Canada's National Health Programme will enable us to move forward together into the next stage - a system of hospital insurance and diagnostic services.

"In conclusion, let me reiterate my belief and my conviction that the development of the best possible pattern of health services for Canadians is not indulging in luxury. It is a sound investment by Canadians in the future of this country, for of all the national resources we value so highly none is so precious or so irreplaceable as a strong and healthy people...."

Production of crude petroleum reached an all-time peak total of 129,451,805 barrels in 1955, more than one-third larger than the preceding year's 96,080,345 barrels.

TOWARD A STRONGER ATLANTIC COMMUNITY

(Continued from P. 2)

"These dangers must be faced. Defence strength and unity must be maintained, yet we may not now have for this purpose the same incentive which we have had before. We must, therefore, develop a stronger bond of unity than a common fear. As the challenge of the Communist nations to our free institutions takes new forms, avoiding tactics and policies which risk nuclear devastation, NATO should in its turn, while maintaining whatever collective military defensive strength is necessary, develop new impulses for unity and community.

"NATO cannot live on fear alone, nor can it become the source of a real Atlantic community if it remains organized to deal only with the military threat which first brought it into being. A new emphasis, therefore, on the non-military side of NATO's development is essential. It would also be the best answer to the Soviet charge that it is an aggressive exclusively military agency, aimed against Moscow.

"We are now faced by the challenge from the Communist bloc of competitive co-existence; or, to put it another way - of all conflict short of full-scale war. This may be an improvement on the imminent possibility of nuclear devastation, but it is a long way from the security of co-operative co-existence, and it has not removed the menace of Communist domination.

NEW CHALLENGE

"The NATO countries must find the answer to this new challenge, by demonstrating the quality and value and sincerity of their co-operation, between themselves and with all members of the international community. We have here a new opportunity as well as a new challenge, and if we do not take advantage of it, speeches about the Atlantic community will, before long, have as little meaning as those about the lost continent of Atlantis. As the material and technological gap between the NATO countries and the Soviet bloc diminishes, it will be all the more important to maintain the distinctions in other and more important respects; and to ensure that these are more fully understood and valued.

"This will require closer co-operation - political and economic - within NATO than has been the case; finding new ways by which we can build up and strengthen our own sense of community - and show others that what we are building is no selfish and exclusive way.

"I hope that the meeting of the NATO council later this week will find the answers to some of these questions, and begin a serious and practical search for the others. So it should be an important meeting, if not an easy one. At it we may find ourselves discussing policies rather than power; aims rather than arms; division rather than divisions.

"NATO, in truth, is now at the crossroads of its existence. If it is to go forward, and in the right direction, it must concentrate on ways and means of bringing its members closer together politically, without weakening its defence unity and strength. For this purpose the Council must become a more effective agency for consultation and co-operation than it has been.

"It must be given more authority and its meeting, with ministerial attendance, should be more frequent. Through the Council, consultation should be developed into an accepted custom, to the point where no member would think of taking action which affected the others in any substantial way - either politically or economically - without prior discussion with those members in NATO.

LIMITS OF ACTION

"For this purpose I do not see the need for any substantial organizational changes or for any amendments to our treaty. Nor do I think that NATO should try to make special economic arrangements between its members or be charged with the duty of removing trade barriers. There are other international agencies which have been specially set up for this purpose - such as GATT and OEEC - and we do not want duplication. I doubt also whether NATO is the agency best equipped actually to provide aid to materially under-developed countries. In this matter, the United Nations should, I think, be brought more and more into the picture. I do not mean that the world organization should be the sole or even possibly the major executive agency for international aid or replace practical and successful operations like the Colombo Plan. Its special value would be to provide a forum where all assistance plans could be co-ordinated and policies discussed. I think also that the U.S.S.R. should be encouraged to participate fully in such United Nations discussions. It would give us a very good opportunity to test the nature and the substance of her participation in this field of international economic assistance.

"In political and economic consultation NATO's role, as I see it, is more limited, but more precise and politically more significant in that here discussions are between closely co-operating friends who are trying to bring about not merely the co-ordination, but the closest possible identity of plans and policies. As the mechanism for this process NATO can become the foundation for the Atlantic community of the future. It must in fact develop along these lines or it will drift into futility and may ultimately share the fate of other international agencies which disappeared because their roots were not deep enough for survival and growth...."



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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CANADIAN-AMERICAN RELATIONS

AGAINST NEGATIVE THINKING: Preoccupation with the relations between the United States and Canada, Mr. Pearson, Secretary of State for External Affairs, told the Canadian Club of Montreal on April 27, "while natural and, indeed, inevitable, at times seems to occupy a disproportionate share of (Canadian) popular interest." "If we are not careful," he continued, "we shall soon be spending more time in thinking negatively about what the Americans have done or may do to or for us than in thinking positively about our own plans and policies."

This theme Mr. Pearson then proceeded to develop in the following way:

"Canadian-American relations are today the most important single item in the foreign policy of our country; apart, of course, from the transcendent issue of peace and war. Moreover, these relations will probably grow in difficulty and complexity as the importance of each country to the other increases, as is happening. After all, we share most of a continent, and one which is today not on the periphery, but in the very centre of the world. Its northern half - the Canadian half - is growing steadily in strength and influence.

"...I do not wish you to infer...that the ties that draw us across the Atlantic, that link us with our mother countries, Great Britain and France, and with the nations of the Commonwealth, are weakening. On the contrary, they are stronger than ever. The old

problems arising out of our development from colony to nation, and from the impact of imperial policy on that development, have been solved. There is now little to worry us and very much to satisfy us in the Commonwealth relationship. It is a relationship which we must maintain and strengthen.

"On the other hand, our problems with the United States are, if not new, at least expressing themselves in new and, at times, perplexing forms. They constitute a challenge to both countries. It will be easier on our part to meet that challenge successfully - as we must - if we keep a sense of proportion, avoiding excessive touchiness or assertiveness; if we show ourselves to be not only nationally alert but also nationally mature...

"There is a tradition of forthright but friendly exchange of views across our border, which is uniquely valuable. We do not want to lose it. That loss, however, could be brought about from abuse by exaggeration or over-indulgence, on the one hand, or by supersensitivity or morbid suspicion on the other. We should guard against both.

"This increasing importance of Canada and the United States to each other is twofold. Not only is our relationship in a bilateral sense of great and growing significance - there is also the fact that the United States through its power and resources is the country best equipped to give political leadership to the Western world, which includes Canada, in

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CANADIAN-AMERICAN RELATIONS

(Continued from P. 1)

the search for peace and security against aggressive Communism....

"This realization that we must stand together or fall separately explains why today in our defense policies we do not, indeed cannot, rely on national action alone, which would be totally inadequate, but on collective arrangements, especially through NATO.

"Among other things, this means that our continent, which is one great sector of the NATO area, must be treated as a single zone for defence, and that Canada and the United States must co-operate closely in that zone for their common protection....

"In other days, and under other conditions, we would have assumed complete responsibility for the building, manning, operating and maintenance of every defence facility in Canada. But now that defence installations on our territory protect both countries, the cost and the responsibility is shared by both governments....

RIGHTS SAFEGUARDED

"Canada accepts responsibility for as much of this continental defence work on Canadian soil as it can undertake, having regard to our other defence commitments. That which we cannot do ourselves - and which we agree should be done in the common interest - is either a joint effort or is done by the United States alone. Furthermore, in every defence arrangement that we have made with our neighbour, and which involves American activity on Canadian soil - this is very important - Canadian rights and Canadian sovereignty are fully preserved....

"If worries over United States participation in certain joint defence arrangements in Canada seem recently to have increased, that is at least partly due to the feeling that the menace of Communist imperialism has decreased. As Mr. Dulles said in his speech in New York on Tuesday, 'Allies no longer feel the same compulsion to submerge differences as when they faced together a clear and present danger'. The danger, however, has not disappeared. It may be taking new forms, but it still faces us.

"Similarly, if anxiety over certain economic aspects - particularly the foreign investment aspect of Canadian-United States relations - seems also to have increased - or at least to become more vocal - in certain Canadian quarters, that may be due, paradoxically, to the very abundance of the evidence of the economic progress that Canada has been making in recent years. We have been going through our greatest period of development. We can as a people take our full share of credit for this. But we should also remember that it could not have taken place in the way and in

the time that it has, without outside participation, especially by investors from the United States, but also from Great Britain and other countries....

"Certainly we are not independent of the United States in the sense that we can isolate our economy from hers, at least without tragic consequences.

"But what country in the free world can be or would wish to be economically independent of the United States in that sense? Can. least of all. The trade figures with our neighbour are themselves enough to refute any such idea.

"Furthermore - and this should comfort the Jeremiahs who predict our new colonialism - the United States in its turn is today by no means economically independent of Canada, and will become less so in the future. The fact is that the economic interdependence of our two countries, and indeed of most important trading countries, is both inevitable and beneficial. It is usually forgotten, for instance, that Canadian per capita investment in the United States is almost twice as great as American in Canada....

INDEPENDENCE UNTHREATENED

"Do these American investments mean that we are going to lose our national identity; to become - as it has been said - a 'banana republic'?

"I have too high an opinion of the sturdy patriotism and the national pride of my fellow-Canadians to admit that any attempt by the United States to secure control of or unduly influence our economic or political destiny by its investments in Canada could possibly be successful. We are not the kind of people to accept pressure of that kind.

"But I have also far too high an opinion of the common sense and the genuine goodwill of our neighbours to the south to believe that they would ever make such an attempt.

"Let us be neither defeatists nor demagogic in these matters. When the growing need in the free world is for close co-operation, for mutual trust, for standing together, this is no time for political or economic jingoism.

"Perhaps pleas to preserve our independence are based on fears, genuine or self-induced, that we are losing control of our natural resources to American interests; that we are becoming, as the current phrase puts it, 'hewers of wood and drawers of water', as well as - and this is a more original expression - 'diggers of holes' for Americans. Incidentally, a hewer of wood is today no underpaid, unskilled labourer. He is a highly skilled, respected workman who can make fifteen to twenty dollars a day; more than many of his fellow-Canadians working in factories or offices or schools.

"This humiliating suggestion that we are in danger of being exploited by and of doing the

DRAMA DEVOTEE DECORATED: In Ottawa on May 4, Tom Patterson, founder and director of planning of the Stratford Shakespearean Festival, received the second annual award of the Canada Arts Council to "the layman who has made the most outstanding contribution to creative art in Canada". Governor General Massey, in his capacity as patron of the Canada Arts Council, made the presentation. The Canada Arts Council was formed eleven years ago as an amalgamated body of some twenty professional cultural organizations across Canada. It acts as spokesman for all professional creative bodies in Canada. It was instrumental in bringing about the Massey Commission on the arts in Canada some years ago, and is closely linked with such international organizations as UNESCO.

The Certificate of Honour was instituted two years ago as recognition to a layman for outstanding service to the arts in Canada. Its first recipient was Mr. Massey, in January of last year.

* * * *

CREDIT UNIONS IN 1954: Since the organization of the first credit unions in the province of Quebec in 1900, the credit union movement in Canada has maintained a steady growth. In 1939, nine provinces reported 844 chartered credit unions with 151,554 members. In 1944, 2,051 credit unions reported a membership of 478,841. The number of credit unions since then has doubled and the membership in the same period has trebled. In 1954, the ten provinces reported 3,920 credit unions with a membership of 1,560,715. Total assets show an even greater increase than that shown by number and membership of credit unions, and in 1954 amounted to \$552,362,571.

Comparing the growth of credit unions during the past ten years by provinces, reveals that the most rapid expansion has occurred in Ontario from 248 credit unions in 1945 to 1,118 in 1954. The three provincial organizations in Quebec reported large increases also; these included 926 credit unions in 1945 and 1,298 in 1954. The western provinces follow in the same trend while the largest majority of credit unions already existed before 1945 in the eastern provinces.

* * * *

SPRING PICKUP IN EMPLOYMENT: The Spring pickup in employment began earlier than usual this year. The level of employment, which usually remains unchanged between mid-February and mid-March, this year showed a modest increase.

At March 25 this year, the number of persons with jobs was estimated at 5,241,000, some 25,000 higher than a month earlier and 242,000 above the year-earlier figure. The number without jobs and seeking work was estimated at 295,000, some 13,000 lower than in February and 106,000 lower than in March 1955. The civilian labour force was 5,536,000 versus

5,524,000 a month earlier and 5,400,000 a year ago. The seeking-work figure amounted to 5.3 per cent of the labour force, the lowest ratio for March in the past three years. The number registered for employment at National Employment Service offices was 533,644 on March 22 versus 515,163 a month earlier and 632,913 a year ago.

The moderate improvement in total employment came entirely from expansion in non-farm industries, with manufacturing, trade and construction leading the way; farm employment remained virtually unchanged during the month. Employment increases were concentrated in the Ontario and Prairie and Pacific regions with Ontario expanding the most. Increases in employment in these regions more than offset the continuing seasonal declines in the Quebec and Atlantic regions.

* * * *

SOPHOCLES ON CELLULOID: The film version of Tyrone Guthrie's "Oedipus Rex" went into production on April 23 at Canadian Film Industries Studios, Toronto. Douglas Campbell, who scored such a personal triumph in the title role at Stratford last summer, interrupted his current tour with The Canadian Players to re-create the part on the screen.

As the cameras started grinding, Producer Leonid Kipnis expressed tremendous enthusiasm about the performance of the cast under the inspiring direction of Dr. Guthrie.

Mr. Kipnis' association with artistic ventures is a long and distinguished one. He has produced many Art films including Leonardo da Vinci - recently televised by the Canadian Broadcasting Corporation - Van Gogh, Gauguin, Toulouse-Lautrec, Rouault, and Grant Wood. His latest is a full-length colour feature, not yet released, on the American artist, Frederic Remington.

* * * *

INDUSTRIAL DISPUTES TIME LOSS: Time loss arising from industrial disputes in Canada during March was more than 90 per cent below that in February, according to a preliminary summary of strikes and lockouts released recently by Mr. Gregg, Minister of Labour.

Preliminary figures for March showed a total of 22 work stoppages during the month, involving 3,243 workers with a total time loss of 16,875 man-working days. This was more than 217,000 fewer lost days than in the month previous. In February 1956 there were 22 stoppages with 20,144 workers involved and a time loss of 234,795 days. In March 1955 there were 13 stoppages involving 2,297 workers and a time loss of 15,752 days.

Of the 22 work stoppages for varying periods during March 1956, ten were continued from February. Of these 10, six were terminated by March 31. Of the 12 stoppages which began in March, nine were terminated by the end of the month. Therefore, seven stoppages were continued in April.

GLASS LIFEBOATS FOR CANADA: Provisional approval has been granted by the Board of Steamship Inspection of the Department of Transport for the use of lifeboats built of a material known by the trade name of "fiberglas". Use of these boats as part of the statutory life-saving equipment of small passenger and non-passenger ships is restricted to those operating in sheltered waters such as harbours, rivers and minor inland waterways.

Approval has been confined to lifeboats having a capacity of less than 125 cubic feet. Twelve-foot lifeboats certified for six persons, and 14-foot lifeboats authorized to carry eight persons have been constructed and are now in service. They are lighter and, it is claimed, equal to or stronger than standard lifeboats. They have very little deterioration and the fibre glass material, being resilient, readily returns to its original form after being subjected to impact.

* * * *

WHOLESALE PRICE INDEX UP: Canada's general wholesale price index advanced 0.5 per cent in March from a month earlier and 2.8 per cent over a year ago. The March index, on the 1935-39 base, stood at 223.3 versus 222.2 in February and 217.3 in March last year. Six of the eight major component groups advanced over February, one receded slightly and one remained unchanged.

Non-ferrous metals and their products registered the largest gain as compared with February, when substantial increases in copper and its products, along with smaller increases in tin and silver, overbalanced a small decrease in antimony and moved the group index up 1.8 per cent to 207.3.

Vegetable products rose 1 per cent to 195.2 as increases in grains, potatoes, vegetable oils and their products, milled cereal foods, bakery products, live stock and poultry feeds, canned vegetables, and raw sugar outweighed decreases in raw rubber, green coffee and cocoa beans, and onions. Iron and its products and non-metallic minerals and their products advanced 0.6 per cent to 232.4 and 180.0, respectively, as a result of higher prices for iron castings and wire nails in the former and coal tar, bituminous coal, bricks, asbestos products, and sulphur in the latter.

Chemicals and allied products rose 0.5 per cent to 179.5 as increases in paint materials, fertilizers and inorganic chemicals outweighed a decrease in industrial gases. Animal products showed a slight gain of 0.1 per cent to 217.7. Increases in fishery products, eggs, milk products, fowl, unmanufactured leather, boots and shoes, and lard were almost balanced by decreases in live stock, raw furs, fresh meats, cured meats, and hides and skins.

Wood, wood products and paper declined 0.1 per cent to 305.6. A lower value for the United States dollar in Canadian funds was reflected in lower prices for newsprint and

woodpulp for export and these decreases were only partially offset by increases for fir, cedar and oak timber. Fibres, textiles and textile products remained unchanged at 228.9 as increases in cotton fabrics, wool blankets, and miscellaneous fibre products were balanced by decreases in raw cotton, imported and domestic raw wool, and wool cloth.

* * * *

MOLIÈRE AT STRATFORD: A big drawing-card during the fourth annual season of the Stratford Shakespearean Festival this summer will be the presentation of Montreal's Le Théâtre du Nouveau Monde in three Molière farces - "Le Mariage Forcé", "Sganarelle" and "La Jalousie du Barbouille". These three one-acters were enthusiastically received by European audiences when they were presented at the Second International Festival of Dramatic Art in Paris last summer, by Le Théâtre du Nouveau Monde. The plays will be done four times during the nine-week Festival season, on July 2nd, July 5th, July 10th and July 13th, at the Avon Theatre.

Le Théâtre du Nouveau Monde company, some of whom will also be appearing in the Festival production of "Henry V" in the theatre-tent, will include such outstanding French-speaking Canadian actors as Jean Gascon, director and founder of the company, Gabriel Bascon, Jean Louis Roux, Guy Hoffman, Henry Norbet, G. Labreche, D. Dubreuil, Georges Groulx and Germaine Giroux.

* * * *

COMBAT CIVIL SERVICE ACCIDENTS: A conference of representatives from all government departments and Crown agencies to study ways and means of encouraging accident prevention among government employees was held in Ottawa recently.

The principal speaker was Robert D. Gidel of the Bureau of Standards, United States Department of Labour, and formerly with the National Safety Council, Chicago. Mr. Gidel has had a great deal of experience with safety promotion in the United States Public Service.

Mr. Gregg, Minister of Labour, said that for some years the Government Employees Compensation Branch of his department had been actively engaged in promoting safety throughout the government service by use of bulletins and posters and in other ways. Some departments had set up committees and otherwise organized safety programmes and a conference of all departments and agencies now seemed appropriate. Statistics in the public service illustrated the need for increased emphasis on efforts to control work accidents, such as investigation to discover potential hazards, prompt investigation after accidents occur, remedial action, and continuous promotion of safety consciousness.

ATOMIC REACTOR FOR INDIA: On April 28 Mr. Nehru, India's Prime Minister and Mr. Escott Reid, the Canadian High Commissioner, signed in New Delhi an inter-governmental agreement on the Canada-India Atomic Reactor project. This agreement was forecast on September 16, 1955, in the joint announcement by the Governments of India and Canada that in April 1955 Canada had offered to India under the Colombo Plan a high powered atomic research and experimental reactor similar to the well known NRX reactor at the Canadian atomic energy establishment at Chalk River, Canada, and that India had accepted this offer shortly thereafter. Since the time of this announcement preliminary work has been going ahead at the site at the same time as further consultation between the two Governments.

The Canada-India Atomic Reactor will be erected at the Indian Government's atomic energy establishment at Trombay near Bombay. The building to house it will be a rotunda in the shape of a hermetically sealed steel shell some 135 feet high and 120 feet in diameter. This will be surrounded by buildings for auxiliary equipment and attached laboratories.

COSTS SHARED

The reactor project is a joint Indo-Canadian enterprise. The costs and the responsibilities are being shared by the two countries. When it is completed full title and complete control will pass to the Government of India. The total cost of the project will be about 7 crores of rupees or a little over \$14 million. The value of the Canadian contribution is about \$7.5 million, the value of the Indian contribution over \$6.5 million. The general principle is that Canada pays for the external costs, India for the internal costs.

Thus Canada is providing the reactor itself and the steel for the rotunda which will surround it. Canada is also designing the reactor, the steel rotunda, and the foundations.

Indian contractors and Indian labour will do the major part of the construction work at the site while Canada, represented by the publicly owned company, Atomic Energy of Canada Limited, will be responsible for the supervision of the engineering and erection.

The Indian Government's Department of Atomic Energy expects to have the work on the foundations and basement of the reactor completed before the end of June. Erection of the steel rotunda to house the reactor will start soon after the monsoon this year and is expected to near completion by the end of 1956. It is hoped that the reactor will be completed early in 1958 and that it will be in full operation by the middle of that year.

Arrangements have been made to send an adequate number of selected Indian technical personnel to Canada to obtain first hand experience and training in the operation of the NRX reactor at Chalk River, the Canadian Government's atomic energy establishment. Indian

technical personnel will also be seconded to the engineering staff in Canada which is designing the reactor, the steel rotunda and the reactor foundations.

Thus, Canada, through the agency of Atomic Energy of Canada Limited, will provide Indian scientists and engineers with every opportunity to become familiar with all aspects of the work. The visit of Indian scientists and engineers to Canada will be paid for by Canada under its normal technical assistance programme.

The Canada-India Atomic Reactor will add an advanced and versatile research facility to India's atomic energy programme. It is specifically designed for fundamental research in physical, chemical, biological, and metallurgical problems relating to atomic energy. It is an efficient producer of radio-active isotopes for use in medical therapy, agriculture, and industry and for tracer element studies in chemical, biological, and medical research.

Above all, the reactor is specially suited for making engineering studies and research on reactor materials which can be tested under the conditions of high neutron intensity met inside reactors. The research and development facilities of the reactor will enable advanced engineering experiments in the design of future power reactors.

India has offered to make the experimental facilities of the reactor available to scientists approved by the Government of India from other countries, including those belonging to the Colombo Plan in South and South-East Asia. Thus the installation of this reactor in India will advance the development of atomic energy not only in India but in the entire region.

* * * *

ANTI-RABIES PRECAUTIONS: Travellers who have pet dogs or cats with them must be able to produce an anti-rabies vaccination certificate for each of their pets before bringing them into any of Canada's western national parks. This requirement is a continuation of one of the rabies control measures instituted in 1953 following a serious outbreak of the disease in Canada.

The control measure is provided for in the National Parks Game Regulations and applies to the following National Parks: Mount Revelstoke, Glacier, Kootenay and Yoho, in British Columbia; Banff, Jasper, Waterton Lakes and Elk Island, in Alberta; Prince Albert, in Saskatchewan, and Riding Mountain, in Manitoba.

National Parks officials explain that the continued control measure is considered necessary to protect the wildlife in these federal game sanctuaries. The certificate accompanying each pet must show that the cat or dog has been vaccinated against rabies within the twelve months immediately preceding the date of entering the Park.

CANADIAN-AMERICAN RELATIONS

(Continued from P. 2)

rough work for the benefit of economic overlords from across the border is one which few Canadians will accept.

"It is well to remember that \$1.00 out of every \$3.00 of our national income comes from manufacturing, and that our country of 16 million people now ranks sixth in the world in terms of the total value of manufactured commodities produced. These figures will help us to keep things in perspective.

"We are often reminded, however, and again the reminder can be salutary, that our natural resources, though great, are not unlimited; that they should be prudently used and wisely conserved for future generations. Hence the questions: Are the Americans not dissipating too much of them for their own gain? Should we not export less and process more in our own country?

"These are very important questions and have to be taken seriously. Where there are trends or tendencies which suggest answers to them that might prejudice our national development, governments should try to correct them....

LONG VIEW NEEDED

"We are steadily increasing, as we should, the manufacture of raw materials in Canada, and this will grow as we develop new markets at home and abroad, new skills and new manufacturing facilities. This process should be assisted by carefully designed governmental policies, but should not be stimulated by artificial expedients....

"Economic and trade policies based on short-sighted considerations could do more harm to Canada than to most countries. It is because we have taken the long view of our national interest that the foundations of our economic structure are strong; until today Canada has achieved an important position among the nations of the world; a position which has been buttressed by the development since the war of basic industries. This development, which has been unprecedented, would not, I think, have been possible without the participation of United States venture capital and technical knowledge....

"I am not suggesting that the possible impact of outside and, above all, American investments in Canada may not have important results for our future; or that great care must be taken by governments on all levels to ensure that those results are good. Corporations and investors from outside who come to Canada should be warmly welcomed, but if they are to share in our national progress, they should become rooted in the national community to the maximum possible extent. The experience of recent years has shown that there is no other sound basis for foreign investment.

"But this does not mean adopting on our side a narrowly nationalistic and prejudiced attitude; indulging in intemperate language, or striking suspicious attitudes at the expense of those whose co-operation - political and economic - we need.

"It is far better to adopt a positive approach to this problem of national development and by our laws, policies and actions to encourage Canadians to supply more and more venture capital and management for enterprises in Canada.

"This will be a more helpful and constructive course than merely to lament over the extent to which Americans contribute what we need, but which we do not or cannot ourselves provide.

SUMMING UP

"With pride in our development, with confidence in our future, with satisfaction in the position we have achieved in the world, pessimism of the kind which sees Canada falling under the grasping domination of any other country is both unrealistic and dangerous. After 1867, the weak and struggling Canadian federation, in many respects still a colony, with its very existence as a state uncertain, did not allow sterling from London to prevent it becoming a united strong and free nation; indeed, used that sterling to help bring it about. Who then would dare to suggest that the Canada of 1956, a strong and self-reliant member of the family of nations, and recognized as such, is going to be submerged by the 'Yankee dollar'?

"Today, in many important respects, the Western nations, and especially those in the North Atlantic community, are more dependent on one another than they were before the threat of Communist aggression led them into closer association, both economic and political. We need not be frightened of that development. In the small atomic world of today this move toward co-operative inter-dependence is to be welcomed rather than feared; is beneficial rather than harmful. This closer association, however, should not be confused with the loss of our political freedom. The destiny of the Canadian nation will not be blocked because Canada co-operates closely with her neighbour in continental defence, and because United States corporations operating under Canadian law, subject to Canadian policies, and behaving much like Canadian corporations, are playing an important part in our development.

"I end, therefore, on a note of optimism, based on the story of Canada's past, nourished by the evidence of its present and to be justified, I am confident, by the achievements of the future.

"I make no apology for this optimism and to those who reject it, I would merely point out that if it weren't for the optimist, the pessimist would never know how fortunate he wasn't."



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THE ST. LAWRENCE SEAWAY - CONTINENTAL ARTERY

TRAFFIC FORECAST: The value of the work so far completed on the St. Lawrence Seaway is \$15 million - 20 per cent of all work awarded to date, Mr. Chevrier, President of the St. Lawrence Seaway Authority recently told members of the Institute of International Auditors in Toronto. In all, 27 construction contracts have been let, with a value of more than \$75 million.

But, Mr. Chevrier went on, the great waterway "is more than a spectacular engineering feat". "After the vast programme of construction is brought to completion" he said, "the Seaway Authority will then be organized to carry out its permanent duties - the operation of the Seaway, including the collection of tolls to cover the costs of construction and operation." To these practical future problems the speaker devoted the rest of his address, as follows:

"...The Seaway will be operating in similar fashion to other business organizations. It will have costs to meet, revenues to collect and services to sell. It will be beset with financial, accounting and economic problems similar to those with which you are familiar in your own businesses, as well as many others that will be unique. For the Seaway will be operated by a complex type of business organization. It will be in the hands of two separate bodies quite independent of each other, the St. Lawrence Seaway Development Corporation, representing the United States Govern-

ment and the St. Lawrence Seaway Authority representing the Canadian Government. Each will be responsible for the operation and maintenance of that part of the Seaway lying within its own country.

"Both organizations, while they are enjoined to co-operate to the fullest extent with each other, are each bound by the legislation of their respective countries, which lay down the guiding lines for operating policy.

"Perhaps best known and most important of such stipulations are those that require that the Seaway be financially self-liquidating....

"In the language of the United States legislation, the Wiley-Dondero Act, the rates on the Seaway shall be calculated to cover, as nearly as practicable, all costs of operating and maintaining the works, including depreciation, interest and payments in lieu of taxes. They must also provide sufficient revenues to amortize the capital outlay over a period not exceeding 50 years.

"The Canadian legislation, the St. Lawrence Seaway Authority Act, states that tolls shall be designed to provide revenue sufficient to defray costs of operations and any reserves that may be set up, interest, and amortization of the principal of amounts borrowed over a period not exceeding fifty years.

It follows from this that the Seaway Authority, and its counterpart in the United States, will have not only engineering and operating

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**THE ST. LAWRENCE SEAWAY -
CONTINENTAL ARTERY**

(Continued from P. 1)

problems but also financial and accounting problems quite apart from those which arise from the nature of the Seaway's organization. As to the latter type, I am entirely confident that they will be met in the same spirit of friendly co-operation which has already characterized the relations between the two organizations to date.

"This represents a departure from long-established practice in Canada and in the United States where canals have been maintained free of tolls. It puts the Seaway in the same class as the Panama and Suez Canals - with at least one important difference: the available routes for by-passing the Seaway are not nearly as circuitous or expensive as they are for either of the other great canals. The Seaway is paralleled by rail and highway routes, and at the outer margin of its territory in the Middle West it will encounter the competition from the Mississippi Route.

NO EXCLUSIVE RIGHTS

"These traffic considerations are important, in my view, as providing guarantees against any restrictive or monopolistic policy on the part of the two Authorities. They cannot afford to take the attitude that their traffic is secure regardless of whatever policy they might adapt. Their policy, to be successful, must not only produce revenues sufficient to recover the costs of the project, but to do so it must also encourage the widest possible use of the Seaway. The results of such a policy will be obvious: the greater the volume of traffic the easier it will be to cover costs and to lighten the toll charges. This in turn will encourage greater use of the Seaway.

"In the nature of the case, no particular traffic has any cause to fear that it will be bearing more than its fair share of the costs of the Seaway. Quite the opposite, in fact: the savings that will accrue from the use of larger ships will greatly exceed the toll charges. Naturally, and properly, the costs will be shared roughly according to the use made of the Seaway, which will also be according to the benefits derived from it.

"To summarize the implications of the operating policy to which the two Seaway organizations are committed: there is every incentive for them to develop traffic on the Seaway; competitive conditions will be such as to give protection against any discriminatory treatment quite apart from the vigilance which the Authorities themselves will exercise....

"The question has been asked - how adequate will the Seaway be for the potential traffic? Needless to say this is a matter that has had to be given the most careful thought. As you

are aware, the decision has been to provide a navigable channel between Montreal and Lake Superior having a minimum depth of 27 feet. This means inevitably that we are not taking the opportunity at this time of providing a deeper channel capable of accommodating larger vessels.

"However, is this a matter for regret? It is true that the largest ocean-going vessels will be unable to use the Seaway, but a little thought on the matter will I think make it quite clear to anyone that it would be most unwise and unnecessary to aim at such an objective. We must not overlook the fact that the Seaway and the Great Lakes - let us call them collectively the St. Lawrence Waterway - is definitely an inland waterway. While we do speak, and perhaps a trifle rhetorically, of putting Toronto, Chicago and other Great Lakes ports at the seaboard, let us not forget that we are doing so by means of an inland waterway. In such a waterway we are continually beset by limitations - rapids and waterfalls that require canals to by-pass them, shallow depths in harbours and channels which must be dredged to make them economically useful. No inland waterway, on however grandiose a scale it might be conceived, can ever get beyond these limitations. The problem is simply how far it is practicable to go, financially and physically in removing them.

COST INCREASES SHARPLY

"And I can assure you, even if it is not already obvious to you, that for every additional foot of depth that might be provided throughout the entire St. Lawrence - Great Lakes waterway, the cost increases at an astronomical rate - for involved in that increase are not just one or two locks and channels, but all locks and all channels, and all important harbours. For in order to make the benefits to shipping even remotely comparable to the costs incurred, it is necessary to make the same scale of improvements throughout the waterway.

"In other words, it is always necessary to decide on a certain definite scale of operations. The ocean shipping conditions that have permitted deep-draught vessels are entirely different from those on the St. Lawrence Waterway. Many ocean ports have natural harbours with deep depths, and once outside the harbour a ship can travel thousands of miles in any direction over the ocean without encountering narrow channels, shallow depths or canal locks. There is comparatively little increased cost in harbour and channel improvements resulting from increasing the size of ocean ships - and if the ships are employed exclusively on special routes, it is sufficient if two or three harbours alone are big enough to accommodate them....

LIFE ON THE ALASKA HIGHWAY: In the 10 years it has been running things the Canadian Army has changed life on the Alaska Highway almost as much as it has changed the great wilderness road itself.

Eighteen permanent maintenance camps on the Highway today bear little or no resemblance to the roaring, boisterous camps of 1942, when thousands of American and Canadian construction workers streamed north to lay the ribbon of road through bush and muskeg wilderness.

In the old days, before the Canadian Army took over control of the road, life in hastily erected construction camps was a rough and ready affair. All types of men came north. They fought and they bullied. Some were no match for the country but many fell in love with it and stayed.

The United States Army introduced "family life" to the Alaska Highway in 1945 when it permitted workers to bring in their families. When the Canadian Army took over control of the road a year later the "family life" policy at isolated camps was continued. But Canadian Army officers went a little further than their American counterparts.

They not only welcomed wives and children but provided snug homes, schools, churches and recreation centres for them. Closely-knit community councils were organized to handle day-to-day situations as they arose.

Although they live hundreds of miles apart, everyone up and down the Highway knows everyone else. They think nothing of driving 150 miles or more to a dance or to curl. All but two camps have a curling rink even though only six families may live at the camp.

Some highway maintenance camps are the nucleus of what may someday become thriving highway towns. At such centres personnel of the Northern Communications System and the Royal Canadian Mounted Police have moved in with Army employees and play an important part in community life.

National Defence civilian employees of the Northwest Highway System outnumber Army personnel on the highway 1000 to 500, but only a few soldiers are stationed at highway maintenance camps. The majority are garrisoned at Whitehorse in the Yukon, or at Fort Nelson or Dawson Creek in British Columbia.

Life in all maintenance camps is quiet and orderly and only major incidents such as flash floods, rock slides or forest fires on the highway provide any real excitement. Spare time is devoted to hunting, fishing and prospecting.

* * * *

BRAZILIAN VICE-PRESIDENT TO VISIT: The Department of External Affairs announced recently that the Vice-President of Brazil, His Excellency Joao Goulart, had accepted the invitation of the Canadian Government to visit Ottawa on May 10 and 11. He will be accompanied by his wife.

CANADA AT ECOSOC 21ST SESSION: Dr. R.A. MacKay, the Permanent Representative of Canada to the United Nations, is the Canadian Delegate to the current 21st Session of the Economic and Social Council of the United Nations in New York that will end May 4.

The Canadian Delegation also includes two alternate delegates, Dr. O.J. Firestone, Department of Trade and Commerce, and Mr. Marcel Cadieux, Department of External Affairs, and a number of advisers.

At the meeting of the United Nations General Assembly last Autumn, Canada was elected for a three year term, 1956 to 1958, to the 18-member Council.

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RESEARCH GRANT FOR MARITIMES: A federal research grant for a diagnostic study of neurotropic virus diseases in the four Atlantic provinces is one of three new health grants for the Maritimes, Mr. Martin, federal Health Minister, disclosed recently.

Mr. Martin said the study planned under the grant represents a clinical and laboratory investigation of neurotropic diseases prevalent in the Atlantic provinces. Since vaccination against polio has been introduced, a number of clinical symptoms resembling nonparalytic polio have been found which were caused by agents other than the three known types of poliomyelitis virus. The purpose of this study would be to identify and classify these agents and to establish their relationship to nonparalytic polio and other diseases of the nervous system.

The research project, for which a federal grant of \$10,275 has been made, will be carried out jointly between Dalhousie University's department of medicine and bacteriology and the Nova Scotia Department of Public Health.

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RHODESIAN LEADER IN OTTAWA: Sir Roy Welensky, Deputy Prime Minister and Minister of Transport for the Federation of Rhodesia and Nyasaland, arrived in Ottawa on April 23 for a two-day visit.

The following morning, in the absence of the Prime Minister, Trade and Commerce Minister Howe received Sir Roy. Later the visitor called on Mr. Pearson, Secretary of State for External Affairs and on Transport Minister Marler. He was entertained by Mr. Howe at a luncheon in the Parliamentary Restaurant.

In the afternoon, Sir Roy visited the House of Commons and paid a call on Mr. Beaudoin, Speaker of the House of Commons, after which a reception was held in his honour by the Commonwealth Parliamentary Association. The High Commissioner for the United Kingdom entertained at dinner.

Sir Roy spent the final morning of his stay at the National Research Council.

COTC TRAINING PLANS: More than 1,700 members of the Canadian Officers' Training Corps, from university contingents across Canada, have started to gather at their respective corps schools and units for a sixteen-week concentrated period of summer training.

Most of the officer cadets will begin their summer training in mid-May and will return to their universities around September 1. The training period ends for all cadets not later than September 12.

A minimum of 12 weeks is required for this training, but officer cadets may elect to stay for a maximum of 22 weeks. Most of them train for 16 weeks, and they may make their decision as to the length of their stay while attending their corps school.

The training is divided into three practical phases, which take three summer training periods to complete. The first is common to all corps, and is held at the corps school to which the cadet belongs. It includes general military training and basic training in small arms and drill. The second phase is also held at the individual corps schools, but essentially trains the young officer in those subjects pertinent to his corps. The third phase consists of on-the-job training as a 2nd lieutenant with a regular army unit or establishment. Each summer a selected group of third-year officers train with units in Germany.

When an officer cadet has completed two practical phases, he is qualified as a 2nd lieutenant. On completion of three practical phases, he is qualified as a lieutenant, providing he has graduated from his university.

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CORPORATION PROFITS, 1955: Profits before taxes of Canadian corporations were estimated at \$786,000,000 for the fourth quarter of 1955, an increase of \$225,000,000 or 40 per cent over the 1954 fourth-quarter estimate of \$561,000,000. Cumulative profits before taxes for the year 1955 aggregated \$3,022,000,000, an estimated increase of \$632,000,000 or 26 per cent over the preceding year's \$2,390,-000,000.

Income tax liabilities estimated for the fourth quarter of 1955 amounted to \$342,000,-000, an increase of \$72,000,000 or 26 per cent over 1954's fourth-quarter estimate of \$270,-000,000. For the 12 months of 1955 income tax liabilities were estimated at \$1,366,000,000 as compared with \$1,160,000,000 in 1954, an increase of \$206,000,000 or 18 per cent. Income taxes for the year 1955 were estimated at 45 per cent of profits.

Corporation profits after taxes in the fourth quarter of 1955 rose an estimated \$153,000,000 or 53 per cent to \$444,000,000 from \$291,000,000. Cumulative profits after taxes for the 12 months of 1955 were estimated at \$1,656,000,000, an increase of \$426,000,000 or 35 per cent over the preceding year's \$1,-230,000,000.

A comparison of the total of the four quarters of 1955 with the total of the four quarters of the preceding year indicates that the increase in profits before taxes was reflected in all industry groups except one. The most sizeable increases occurred in the mining, quarrying and oil wells group which rose an estimated \$129,000,000 or 56 per cent to \$360,000,000 from \$231,000,000; the iron and steel group which rose an estimated \$87,000,-000 or 33 per cent to \$353,000,000 from \$266,-000,000; the wood and paper group which rose an estimated \$71,000,000 or 21 per cent to \$402,000,000 from \$331,000,000; and the transportation, storage and communication group which rose an estimated \$66,000,000 or 35 per cent to \$253,000,000 from \$187,000,000. The one group in which profits before taxes did not increase was the service group which dropped an estimated \$3,000,000 or 6 per cent to \$45,000,000 in 1955 from \$48,000,000.

* * * *

NEW PAKISTAN POWER PLANT: The Department of External Affairs announced recently that agreement has been reached between the Government of Pakistan and the Government of Canada for co-operation under the Colombo Plan in the provision of a thermal station for generating electric power at Khulna in East Pakistan. The Canadian Government has agreed to participate in financing the external costs for the erection and construction of the steam generating station. As its contribution Canada will provide generating units and other related equipment as well as the services of Canadian engineering personnel to carry out the design and supervision of installation of the power station. The estimated total of the external costs for which Canada will assume responsibility is two million dollars.

Pakistan will take care of all local costs involved in the project including all preliminary construction work and the provision of local labour and materials.

When the power plant is completed at Khulna it will have a capacity of 20-thousand kilowatts of power. The power will be employed for important industrial and agricultural uses in East Pakistan.

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WOOD INDUSTRIES IN 1953: New records were set by Canada's wood-using industries in 1953. Factory value of shipments grossed \$661,321,-108, up 10.3 per cent from 1952's \$599,606,-383, and net value jumped 13 per cent to \$308,315,617 from \$272,829,694. The number of establishments rose to 4,268 from 4,184, their employees to 73,377 from 69,537 and salary and wage payments to \$183,488,249 from \$163,890,-274. Cost of materials increased to \$345,146,-413 from \$319,472,678.

SEAWAY TO BENEFIT WINDSOR: In a recent address to an audience in Windsor, Ontario, the Honourable Lionel Chevrier, President of The St. Lawrence Seaway Authority, stated that the position of their city as a transportation centre would be further improved by the building of the St. Lawrence Seaway.

After outlining the history of negotiations for the Seaway and describing the navigation works now under construction, Mr. Chevrier commented on their effects on the City of Windsor. "When I am asked what will be the effects of the Seaway on this area or on that, I find that there are two answers possible," he observed. "One is to recount the theoretical advantages - those that will come anyway even to those who only stand and wait. The other is to point to the practical steps being taken on every hand to transform advantages on paper into real advantages."

"It would not be an easy task to sum up all the expenditures now being planned, by industrial, manufacturing, shipping, port and other interests which can be attributed, all or in large part, to preparations to take full advantage of the Seaway," the speaker went on. "It will greatly exceed the actual cost of the Seaway itself and is a clear indication both of the enormous stimulus which the decision to proceed with the Seaway has given, as well as some measure of benefits that will come with its completion."

KEY SITUATION

No comment on a transport matter affecting Windsor could begin without recognition of the advantages of its position, Mr. Chevrier pointed out. This "Border City" is located on the main lines of five major railroads that put it within short shipping time of the largest cities in Eastern United States and Canada. Similarly the city's railway services to the largest industrial centres in southern Ontario and Quebec are paralleled by highway and water routes.

"Nor should I forget that you have so recently become a gateway to Mexico and beyond in the field of air transport," Mr. Chevrier continued. "Always a border city you now find yourselves on the borders of Mexico, and with the Seaway you will have the feeling of closer proximity to Europe and other overseas points. The completion of the Seaway will undoubtedly increase the international importance of Windsor, as it will of other Great Lakes ports. For some years, of course, you had direct vessel connections with overseas ports from the expanding fleet of small ocean-going vessels that have been able to use the present St. Lawrence Canals. With the Seaway, larger ocean vessels will make their appearance in the Great Lakes and export and import trade should develop on a more solid economic basis. Your major industries have always been interested in export markets, and it is to be hoped that the opportunities that the Seaway will offer can be turned to good account...."

BUSINESS FAILURES UP IN 1955: Business failures continued their post-war climb in 1955, the number recorded under the provisions of the Bankruptcy and Winding Up Acts rising to 2,446 from 2,278 in 1954 and their defaulted liabilities to \$58,597,000 from \$53,142,-000. Average liability per failure was about 3 per cent higher in 1955 than in the preceding year.

As in previous years, the greatest number of failures occurred in the trade sector, but bankruptcies in this group fell to 878 from 973 in 1954. Most types of trading enterprises showed fewer insolvencies than during the preceding year, including general stores, groceries, confectionery stores, clothing stores and automobile dealers. Insolvencies of manufacturing establishments dropped substantially to 306 from 416, with nearly all industries recording fewer failures. Bankruptcies of service establishments, on the other hand, increased to 452 from 408. Failures of "other" establishments rose to 810 from 481, more than doubling in the construction field and increasing sharply in the transportation sector.

During 1955, 1,786 of the 2,446 insolvencies occurred in Quebec as compared with 1,645 in 1954. Bankruptcies in Ontario rose to 438 from 414. Failures in the Prairie Provinces advanced to 110 from 101, total for Saskatchewan rising to 39 from 30 and Alberta and Manitoba remaining unchanged with respective totals of 44 and 27. Insolvencies in British Columbia rose to 75 from 73, Newfoundland to 9 from 4, and Prince Edward Island to 3 from 2. There were decreases to 9 from 19 in Nova Scotia and to 16 from 20 in New Brunswick.

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LUMBER PRODUCTION DOWN: Smaller quantities of sawn lumber were produced in January than in the corresponding month last year. In British Columbia the month's output of sawn lumber and ties declined 6.3 per cent to 380,-651,000 board feet from 406,113,000 a year earlier, and East of the Rockies there was a 7.4 per cent decrease in lumber production to 204,952,000 board feet from 221,277,000.

East of the Rockies there were increases only in Quebec and Ontario. Provincial totals were: Prince Edward Island, 256,000 board feet (419,000 a year earlier); Nova Scotia, 14,-468,000 (20,426,000); New Brunswick, 22,007,-000 (22,090,000); Quebec, 52,181,000 (46,491,-000); Ontario, 31,319,000 (26,427,000); Manitoba, 1,499,000 (2,264,000); Saskatchewan, 8,893,000 (14,190,000); and Alberta, 74,329,-000 (88,970,000).

Production of margarine rose to 11,849,000 pounds in March from 11,769,000 pounds a year ago, bringing the first quarter total to 33,-963,000 pounds as compared with 33,847,000 a year ago.

THE ST. LAWRENCE SEAWAY -
CONTINENTAL ARTERY

(Continued from P. 2)

"I can readily admit that if we were to provide 35-foot depth between Montreal and Lake Superior, that insofar as the cost of operating the vessels alone is concerned it would be very much cheaper per ton of cargo to transport bulk commodity traffic. But of course that is only one side of the picture. This favourable result would only be obtained if ships were provided with their deep waterway at only a fraction of its total cost. But if the cost were to be recovered from all the ships using the waterway, those that were already using the waterway and which had no need of the improvements would be in effect helping to pay for advantages conferred on only the largest ships.

"Even this might be acceptable if one could assume that only the largest ships would remain in use. But it would be unrealistic to expect such a displacement of all ships but those capable of utilizing the maximum depths. Ocean ports are visited by all types of vessels, the same applies to Great Lakes ports and will continue to apply. Traffic on the St. Lawrence and Great Lakes has great variety - and each type of traffic has a type of vessel most adapted to its needs. Such diversifications may be even broader when the route is thrown open to ocean shipping. Deep draught is thus not an overruling condition but naturally, in bulk traffic, it is altogether likely that vessels of maximum dimensions will displace others.

LONG-RANGE PLANNING

"In short, we have had to decide on a scale of operations which would satisfactorily meet conditions in the foreseeable future. In this our problem resembles that of other transport agencies, although in their case the similar problem has been settled for so long that most of us are inclined to forget that they were ever faced with it....

"Fundamentally, the Seaway is a public highway, some limiting standardization is necessary, and there can be no responsibility to provide for outsize vessels.

"I am not saying that there is some 'normal' scale of length, beam and depth which it is only necessary to discover and then conform to. But I think the adequacy of a scale is to be judged by practical standards. It is not the biggest possible scale, but it is a relationship between the volume and type of traffic likely to use the waterway and the cost of providing any particular physical capacity. Certainly at the present time, the cost of increasing the capacity of the Seaway beyond what is now planned is out of all proportion to the probable benefits of such a step. But

as the dimensions of the Seaway cannot be expanded every year or so to keep pace with the growing size of ocean vessels, we are naturally building for the future. At the same time, it need not be denied, that the combination of circumstances at some future date may be sufficiently different to bring the question of expansion within the realm of practical possibilities.

"The decision to provide 27-foot navigation has balanced costs and benefits. Have we thereby arrived at what the economists would call the optimum solution? Having regard to all the circumstances at this time I believe that we have done just that. We are providing a minimum depth of 27-feet, as against 14-feet in the present St. Lawrence Canals, without necessitating major alterations in the existing Welland and Sault canals.

"It is also noteworthy that while the Great Lakes will become accessible to ocean vessels of a much larger size at the same time the distinctive advantages of existing lake shipping will be preserved. The bulk carriers that operate through the Seaway will be primarily lake carriers specialized for lake shipping conditions. Ocean bulk carriers with their deeper draughts will not be as economical....

NEED FOR SEAWAY

"The question has frequently been asked of just how the Seaway would fit into the existing economic scene in Canada and the United States. For as you know, during the long period before the actual launching of the project, two concerns seemed to be uppermost in the public mind: will there be sufficient need for the new navigation facilities and hydro electric power that will be made available? And if these are utilized, how much will it dislocate existing transport and power facilities?

"I think the answers to both these queries can be found in the enormous growth in both the Canadian and American economies over the past twenty years. The project has not changed over that period - and while it is still large even by today's standards it no longer overshadows the scene. During this period population has increased by one-half, industrial production by four times and electric power production by five times.

"With every expansion in industrial activity and markets the real value of the Seaway becomes correspondingly greater. At the same time, the threat of it being a disturbing or dislocating factor in the economy diminishes. The new power and transport capacity which the Seaway will make available will, by all present indications, be readily absorbed by rising demand on every side.

"We can be confident that the construction of the Seaway is taking place at a most opportune time...."



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CANADA'S ARCTIC OUTPOSTS

DEW AND MID-CANADA LINES: "It is our duty, as Canadians, to contribute everything we can, within the limits of our ability, toward strengthening the deterrent power of the free world," the Minister of National Defence, Mr. Ralph Campney, told the Empire Club of Canada in Toronto on April 12. "This has come to be known as 'the policy of the deterrent'... The immediate and over-all aim of Canada's defence programme is of course to provide for the security of Canada itself. Defence - like charity - begins at home".

The rest of Mr. Campney's address follows:
"...Time was when attacks on North America, if at all, would only be diversionary attacks to tie down this continent's forces, which, in the event of war, would probably be urgently required in Europe. All that has now been changed, and we are faced with the real possibility of an attempt to strike a crippling blow by air on our two countries for the dual purpose of destroying our industrial potential and destroying the retaliatory capacity of the United States Strategic Air Command on which so much depends, not only from our own point of view but for the safety of the whole NATO alliance.

"We must not ignore the threat thus poised. Indeed, we must seek to meet it effectively, and this we are actively endeavouring to do. Along with the United States we are building

an integrated system of air defence for the North American continent in which Canada and the United States each plays its respective role.

"Effective air defence requires adequate detecting apparatus, adequate communications and adequate attacking power to seek out and destroy invading planes.

"For some time, as you know, we have been building an integrated warning and communications system to serve a threefold purpose, should the need arise - to alert fighter aircraft to the approach of hostile bombers, to warn the civil population of that fact, and to enable the powerful United States strategic bombing force to get off the ground and on its way to carry out its crippling, devastating, retaliatory blow at the enemy.

"The joint Canada-United States radar warning and control system consists of four main parts: the Pinetree system, covering the industrial heartlands of Canada and the United States; the Mid-Canada early warning line, roughly located along the 55th Parallel of latitude; the Distant Early Warning or DEW line, located generally where the continental land mass meets the Arctic Ocean, with extensions on both flanks of the continent into the oceans on either side.

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CANADA'S ARCTIC OUTPOSTS

(Continued from P. 1)

"The day before yesterday I returned from a 10,000-mile flight through northern Canada and the Arctic regions examining the progress being made in construction of both the DEW line and the Mid-Canada line.

"I was accompanied on this trip by Right Honourable C.D. Howe; Honourable Jean Lesage, Minister of Northern Affairs and National Resources; Mr. Charles Wilson, Secretary of Defence of the United States and Mr. Donald Quarles, Secretary for Air of that country, as well as by Honourable Douglas Stuart who is just finishing his term as United States Ambassador to Canada.

"It proved to be an intensely interesting, revealing and inspiring experience.

"What is going on in that vast, barren, sparsely populated area today staggers the imagination. And it is all being done in spite of a multitude of tough problems - problems of transportation and of construction - problems arising from the severity of the climate - from the vast distances involved - from the permanently frozen conditions - and from these and a dozen other problems which hamper and delay.

"...The construction by the United States Government of the most northerly early warning line - the DEW line, as it is called - will constitute, if ever its story can be fully told, one of the greatest epics in the history of the Far North.

WORTHY ACHIEVEMENTS

"The United States Air Force, the Western Electric Company, the general contractor charged with its construction, and the thousands of workers and suppliers under their direction, will certainly have every reason to be proud of their achievement. Throughout all this vast effort, they have received the close co-operation of the Canadian armed services and of Canadian government departments and agencies. Perhaps, as I cannot disclose very many details of the construction and supply effort which is going into the DEW line at this time, it may give you some idea if I tell you that one distributing centre in the Arctic which I visited is being served by eighteen civil air lines. Including USAF and RCAF planes, over one thousand planes landed there last month - an average of well over thirty a day.

"Perhaps somewhat less dramatic but equally important to our defences - and even more significant, perhaps, to Canada's economic progress as it rolls the map northward - is the building of the Mid-Canada line. This also we saw at close hand earlier this week as we inspected key sites on the ground and from the air, and saw something of the marshalling of supplies and materials needed for this great

enterprise. More than 1,200 men are working on the Mid-Canada line and thousands more are working to supply and equip it.

"The building of this line is entirely a Canadian undertaking. The rapid way in which the little-known sub-Arctic hinterland of Canada is being opened is evidence of the imaginative and effective way in which the RCAF and federal government departments, the management contractor, the Bell Telephone Company, and the other Canadian contractors are working together on this huge assignment.

"As I have just seen it at close hand over one thousand miles of its extent, I should like to tell you something about the Mid-Canada line, the culmination of many new ideas in construction, communications and transportation.

"I well recall the first conferences to study the problem of providing this vital element in the continental warning system.

"Our experts began, of course, by studying the map of Canada - northern Canada. And in so doing they were forced to consider the difficulties they would face in building this line across the sub-Arctic. Around Hudson Bay especially, the terrain and climate conspired against any intruder: in winter, forbidding trackless wastes and cold; in summer, impassable bogs and muskeg - and mosquitoes, large alike in size and in number.

NATURAL OBSTACLES

"Each area presented special problems. Ungava in the east was slashed across by its innumerable lakes, rocky ridges, scrub forests and bogs. The James Bay area in summer was mired down in muskeg, with many lakes and surprisingly large streams. The coast of Hudson Bay, because of shallow waters, was almost unapproachable. To the west, the muskeg merged again into wooded country, at first hilly, and then, in the far west, vast areas of high, forbidding, almost unexplored mountains.

"It was evident, of course, that cold would challenge the builders' ingenuity, but transportation above all was the great and continuing problem. The construction of the Mid-Canada line would clearly involve many of the harrowing problems which in earlier years plagued the pushing of the Hudson Bay Railway to Churchill, the building of the Alaska Highway and the opening of the Knob Lake country.

"If ever there was a Canadian construction project in which the difficulties all argued against action, this was it. However, the RCAF was not to be daunted, and in this enterprise they found determined allies in government and industry.

"Once we had decided to push ahead with it - and this was less than three years ago - dozens of sites had to be chosen along 2,700

NRC MEMBERSHIP CHANGES: Dr. I. McTaggart Cowan, Dr. J.H.L. Johnstone, Dr. R.B. Miller and Dr. B.W. Sargent have been appointed by the Governor General in Council as new members of the National Research Council for three years from April 1, 1956.

Dr. Cowan is Professor and Head of the Department of Zoology, University of British Columbia, Vancouver, British Columbia.

Dr. Johnstone is Head of the Department of Physics and Dean of the Faculty of Graduate Studies, Dalhousie University, Halifax, Nova Scotia.

Dr. Miller is Professor of Zoology, University of Alberta, Edmonton, Alberta.

Dr. Sargent is Professor and Head of the Department of Physics, Queen's University, Kingston, Ontario.

Members of the National Research Council who were reappointed for a further term of three years are: Dr. R.F. Farquharson, Professor and Head of the Department of Medicine, University of Toronto, and Dr. David L. Thomson, Vice-Principal of McGill University.

Retiring members are: Dr. C.W. Argue, Dean of Science and Professor of Biology, University of New Brunswick; Dr. A.G. McCalla, Dean of Agriculture, University of Alberta; Dr. E.G.D. Murray, recently retired from the position of Professor and Chairman of the Department of Bacteriology and Immunology, Faculty of Medicine, McGill University; and Dr. G.M. Shrum, Professor and Head of the Department of Physics, University of British Columbia.

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PRAIRIE EXERCISE PLANNED: More than 4,000 soldiers of the Canadian Army (Regular) will concentrate at Camp Wainwright, Alberta, for a six-week period of intensive training from June 23 to August 3. Starting at the unit level, the training will progress to the brigade level and will culminate in a brigade exercise. During training the tactical use of nuclear weapons will be considered.

The training concentration will be under the direction of Major-General C. Vokes, General Officer Commanding Western Command. Main body of troops will come from the 1st Canadian Infantry Brigade.

Infantry units participating will be the 2nd Battalion, Princess Patricia's Canadian Light Infantry, and 1st and 2nd Battalions, Queen's Own Rifles of Canada. Artillery elements will be the 1st Regiment Royal Canadian Horse Artillery, the 4th Light Anti-Aircraft Battery and elements of 2 Air Observation Post Flight. Armoured elements will be Lord Strathcona's Horse (Royal Canadians) (2nd Armoured Regiment).

Other units involved will be the 4th Field Squadron and 1 Airborne Troop of the Royal Canadian Engineers; elements of 1 Canadian Divisional Signal Regiment and 4 Transport Company and 1 Airborne Platoon of the Royal Canadian Army Medical Corps.

STRATFORD GETS READY: With announcements from Artistic Director Tom Brown of the final casting for the 1956 Stratford Festival season and from Tent Master Skip Manley that the theatre-tent will probably be erected on April 14 it can be assumed that spring is here.

Skip Manley has been at work for the past several weeks rejuvenating the canvas in preparation for the erection of the tent. He has announced that, weather permitting, the tent will go up on Saturday, April 14th, for the last time. A national fund-raising campaign is now under way and the Festival will have its new building for 1957 performances.

This will be the earliest the tent has ever gone up, and should ensure that all is in readiness for rehearsals which begin May 7th under Artistic Director Michael Langham.

Mr. Brown states that casting changes may still be made in the two-play repertoire, "Henry V" and "The Merry Wives of Windsor", to be presented this summer. The season will run for nine weeks, June 18th to August 18th.

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INGE BORKH TO SING AT STRATFORD: The Music Festival running in conjunction with the Stratford Shakespearean Festival will present to Stratford audiences this season the young dramatic soprano, Inge Borkh, who will appear in four concerts in the Concert Hall.

The first two, July 30 and August 2, will consist of a programme of concert and operatic arias with the Festival orchestra - newly formed and composed of about forty musicians - under the direction of Reginald Stewart. Excerpts from "Julius Caesar" and Beethoven's great concert aria "Ah Perfido" will be included. Miss Borkh feels that arias sung in concert are not to be treated as isolated songs, however beautiful, but rather as opportunities to present in concentrated form the essence of a character in a dramatic situation. Each aria is therefore sung with an unusually full realization of the music drama from which it is taken.

In concerts on August 6 and August 9, Miss Borkh will appear with her husband Alexander Welitsch, noted baritone. They will sing solos and duets including the music of Handel, Brahms, Richard Strauss, Weber, Dvorak, Rachmaninoff and Schubert.

Inge Borkh, assisted by Alexander Welitsch, will also conduct the Royal Conservatory of Music Master Classes in voice in Stratford for two weeks beginning July 30.

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FIRST SWEDISH AMBASSADOR TO CANADA: On April 12, His Excellency Mr. Oscar Thorsing presented to the Deputy Governor General, the Honourable Patrick Kerwin, Chief Justice of Canada, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Sweden to Canada. Mr. Thorsing is the first Ambassador of his country to Canada.

PEAK YEAR FOR MINERALS: Value of minerals produced in Canada during 1954 reached a new all-time high total of \$1,488,382,000, the Dominion Bureau of Statistics reports in its annual general review of the mining industry. Direct comparisons with the previous year's cannot be fairly made, as the 1954 total includes the value of pitchblende products, excluded during the years 1941 to 1953. The total for 1953 was \$1,336,304,000.

The index of the physical volume of mineral production, on the 1935-39 base, was 209.7 in 1954 compared with 185.8 in 1953 and 174.7 in 1952. Mining activity is indicated by the ore mined and rock quarried. In 1954 this amounted to 120,400,000 tons, of which 59,000,000 tons were from metal mines, 20,900,000 tons were non-metallics, and 40,500,000 tons were quarried stone.

The mining industry employed 129,445 persons to whom \$465,306,000 was paid in salaries and wages versus 130,038 employees paid \$453,-066,000 in the preceding year.

The ten leading minerals in order of production value in 1954 were as follows, 1953 totals being in brackets: crude petroleum, \$243,877,000 (\$200,582,000); nickel, \$180,-173,000 (\$160,430,000); copper, \$175,713,000 (\$150,954,000); gold, \$148,765,000 (\$139,598,-000); coal, \$96,600,000 (\$102,722,000); zinc, \$90,207,000 (\$96,101,000); asbestos, \$86,409,-000 (\$86,053,000); cement, \$59,036,000 (\$58,-842,000); sand and gravel, \$58,988,000 (\$53,-485,000); and lead \$58,251,000 (\$50,077,000).

* * *

TRADE UNION MEMBERSHIP UP: Membership of labour organizations in Canada has reached 1,346,000, it was revealed recently by the Honourable Milton F. Gregg, Minister of Labour. Preliminary figures based on a survey conducted by the Economics and Research Branch of the Department of Labour at January 1, 1956, show a 6 per cent membership increase over the previous year.

During the final year of their separate activities, the Trades and Labour Congress of Canada and the Canadian Congress of Labour have shown membership advances of 6.5 and 4.6 per cent respectively. As a result, the membership represented at the founding convention of the Canadian Labour Congress, scheduled to be held in Toronto this month, will reach approximately 1,018,000.

Estimated membership in the individual Congresses and independent groups are as follows: Trades and Labour Congress of Canada, 640,000; Canadian Congress of Labour, 378,000; Canadian and Catholic Confederation of Labour, 99,000; American Federation of Labour, Congress of Industrial Organizations only, 1,000; International Railway Brotherhoods, 44,000; Unaffiliated International Unions, 78,000; Unaffiliated National, Regional and Local Organizations, 106,000.

INVITATION TO DR. SUKARNO: The Department of External Affairs announced recently that an invitation has been extended to the president of the Republic of Indonesia, Dr. Achmed Sukarno, to visit Ottawa in early June. Dr. Sukarno will be visiting the United States during the latter half of May and it is hoped that he will arrive in Ottawa about June 4.

* * *

CBC RECEIVES TWELVE AWARDS: The Canadian Broadcasting Corporation has won six first awards and five honourable mentions for its network radio and television programmes, in competition with American networks and others at the 20th American Exhibition of Educational Programmes held annually at Ohio State University. Once again CBC radio programmes received more awards than those of any other network. Radio station CBO, Ottawa, owned by the CBC, received a first award in the local station category for "Men Behind the News."

The CBC shared several of its awards with provincial departments of education in British Columbia, Alberta, Saskatchewan and Manitoba, and was granted one award jointly with the Australian Broadcasting Commission for an exchange in the field of School Broadcasts.

* * *

SOUTH AFRICAN AIRMEN TRAIN IN CANADA: Four pilots of the South African Air Force are now taking operational training in Canadian Sabre jets at the RCAF's Operational Training Unit, Chatham, New Brunswick, it was announced recently by Air Force officials. The officers under training are: Captain S.T.W. Inglesby, Captain L.P.T. Eagar, Captain R.E. Nienaber, and Lieutenant E.A.C. Piernaar.

The training has been arranged by special agreement between the Governments of Canada and the Union of South Africa, and the cost will be borne by the latter.

Canadair Limited, the Canadian manufacturer of the Sabre, announced last summer that the company had negotiated for a \$10-million sale of Mark VI Sabre jets, plus spares, to equip two squadrons of the SAAF.

* * *

URBAN TRANSIT PASSENGERS DOWN: A decrease of 3.9 per cent in the number of passengers carried by urban transit systems in January, brought the total to 101,603,062 from 105,-781,772 in the corresponding month last year. Due to higher fares in several municipalities, revenues increased slightly to \$10,564,663 from \$10,321,589.

The increased number of passengers on motor bus systems to 50,047,554 from 49,161,412 a year earlier, and chartered services to 393,-682 from 106,317 was more than offset by a decline in passengers carried on electric cars to 30,541,192 from 35,573,536, and trolley bus passengers to 20,620,634 from 20,940,507.

THE NEW SOVIET APPROACH - PERMANENCE IN CHANGE

NEW PERIL TO WESTERN UNITY: "As I see it, the main objectives of Soviet policy remain, so far as policy in the West is concerned, . . . the dissolution of the North Atlantic Treaty Organization and the withdrawal of the United States from Western Europe," said the Secretary of State for External Affairs, Mr. Pearson, on April 12 in a statement to the Standing Committee on External Affairs, regarding the denunciation of Stalinism by Soviet leaders that had been made known to the western world only a short time before. Discussing the Thirtieth Congress of the Communist Party, during which the new orientation had first been disclosed, Mr. Pearson suggested that it indicated "some mellowing of the regime . . ." "Externally," he added, "this mellowing springs from a realization that 'normal' relations with other states and a more civil approach are likely to contribute to, and succeed in, a period of detente. The removal of our fear would be one of their main objectives now . . . Peaceful co-existence between states of differing social systems will continue to be the theme of Soviet foreign policy . . ." In spite of such talk, however, the speaker warned, there is every indication that the Soviet Union intends to maintain and even to strengthen its own military capabilities and alliances . . ."

NATO NOW

Somewhat later in his statement, Mr. Pearson made the following observations on the present role of NATO and on the ineffectiveness of current western economic aid policies in recommending themselves to the peoples of Asia:

" . . . The North Atlantic Treaty Organization is, or should be, far more than a mere agency of defence policy. I think the feeling is growing that if this is not recognized and acted upon, NATO may not survive at all. Now as I said, the Soviet Union certainly realizes this and that is why they are working so hard to remove our fears. They assume that fear is the only thing holding us together in NATO because that is what holds their coalitions together. NATO is, of course, of vital importance as an organization for collective defence. There is no doubt about that, I will even agree that that is its primary task - the deterrence of aggression, acting as an agency for collective defence. But at the present time it is also very important as an agency for organizing common policy in other fields, and I think its importance in that regard is growing. It is important as a means of organizing a common political and economic approach to world problems and for co-ordinating our views and policies as to how we should meet threats other than military.

"There is another gap in policy which is hurting the West; that is the separation between economic and technical aid to materially underdeveloped countries and political objectives, or maybe I should put it this way: We are suffering from efforts to close that gap in the wrong way by associating aid with the acceptance on the part of the receiving countries of 'cold war' political and strategic objectives. . . . The purpose of foreign aid is as important as the aid itself. Aid of this kind, Economic assistance of any kind on an international scale, I admit, is bound to be a political act of some kind. The question is: what kind? . . . The Russians, of course, are moving into this field, if not in a big way, from one point of view, then certainly in a dramatic way, in a 'headline' way. There is no doubt that in moving into this field of international economic assistance in Asia and Africa the Soviet Union is guided primarily by political considerations.

"They also associate their economic efforts with denunciations of colonialism. That is, of course, an easy way of becoming popular in that part of the world, where they have been all too successful in obscuring their own record as the greatest colonial exploiters of modern times and the greatest suppressors of freedom in modern times.

" . . . What should we in the West do to counteract all this, and what should be the principles upon which our international aid policy should be based?

ATTITUDES ON AID

"As I said a little while ago I think we should pay a little more attention to the 'why' and 'how'. Why do we help these people, and how do we help them? . . . It is essential to divorce our aid from political considerations and if we - as I am sure we do in connection with the Colombo Plan - go out of our way to respect the national and cultural sensitivity of the people with whom we are co-operating in this field, and if we make sure that our aid is practical and well administered and if before we engage in any project we work out an agreement between the countries concerned, the giver and the receiver, as we do under the Colombo Plan, then we shall be working in the best and most practical way.

"Finally, I think we should bring the United Nations into these matters as much as possible - more than we have in the past, because there is no better way of removing any suspicion that there is some ulterior purpose in granting aid than in having it administered by an international organization.

CANADA'S ARCTIC OUTPOSTS

(Continued from P. 2)

miles of little-known and inadequately mapped territory. Aerial photography by the RCAF and large-scale maps by the Canadian Army made possible the preliminary selection of sites. Next came the ground survey and siting parties to verify or improve on the locations, both from the construction and electronic points of view. Then came the designing of the buildings for the various types of stations and to meet the special conditions of the country.

"The building of the Mid-Canada line is a notable construction story, but above all, it is the story of transportation. Each phase of the project has depended on getting the supplies, material and construction workers to the right place at the right time. If - as well it may - the building of the Mid-Canada line becomes one day a part of Canadian folklore, accounts of these journeys and hauls will, I am sure, be longest recalled and recounted to succeeding generations.

"Many means of transportation have been used in the trek northward: ship, train, truck, and tractor train, airplane and helicopter. The eastern and central areas have been, by the nature of their terrain, most difficult to traverse.

SNOW TRAIL

"At Moosonee, for example, there was, at one stage, a great marshalling of 9,000 tons of freight that had to go forward this winter and spring by tractor train over the trackless wastes to a desolate site near Hudson Bay. Where no road existed, one was built - surely one of the most extraordinary roads ever made - the Snow Trail, a wide, smooth highway of packed snow and ice, taking the tractor trains north for 500 miles along the western shores of James Bay and Hudson Bay.

"To build this road a survey party first set out, followed by Indians on snowshoes, then by snowmobiles and, finally, by tractors and tractor trains.

"The Snow Trail is melting now and may not be needed again, and the tractors are striving to reach their summer bases before they mire down in muskeg. But for further advances into the north there is now a new transport technique - thanks to the ingenuity of the Mid-Canada engineers.

"Experimentation is the mark of this project. Studies are being made of a great balloon-tired vehicle, with wheels 8 to 12 feet in diameter, which might replace the much slower tractor train. To traverse the hitherto impassable muskeg, the 'muskeg buggy' and other amphibious vehicles are now being tried out.

"The difficulties of the Hudson Bay beaches too have presented special problems. For transport of fuel to several beach sites, miniature

Pluto lines - on the same principle as those used for the Normandy invasion - might have to be run on the seabed for several miles off shore to tankers; or in other cases fuel lines had to be used that are specially designed to float on the water.

"Many Mid-Canada sites have lakes nearby, thus making summer airlift possible. And when these lakes are frozen, ice air strips can be developed for winter supply. A study of lakes adjacent to stations has also had to be made from the point of fresh water supply. Many lakes freeze solid during the long Arctic winter, and such solid freezing would, of course, render them useless as a source of water supply. It becomes, therefore a matter of considerable importance that a deep lake be found near each station to ensure unbroken water supply.

"In a project of this magnitude, forward planning is all-important. As the line's sites are being developed, the equipment for them is being tested, perfected and scheduled for delivery when the line is ready to receive it.

"The line will consist of dozens of unit detection and warning stations, with a number of main stations. Stations will vary in size, requiring, in the initial period, from two men at unit stations to more than one hundred at main stations.

CIVILIAN ROLE

"It has been decided to man the line in large part by civilians under contract. Hundreds will be hired and trained for this important task. While it is proposed that civilians will operate the line, operational control will, of course, remain the responsibility of the RCAF.

"An advanced training course for RCAF and civilian personnel was started several months ago. The third of the basic training courses for technicians to install and test the line is now proceeding.

"For testing and training purposes, two simulated line sections of the line have been developed - one at Montreal some time ago, and the second in the Ottawa Valley, now nearing completion. The Ottawa Valley test system, in its main and subordinate stations, will provide an excellent training ground for technicians needed on the line.

"In addition to the building of the Mid-Canada stations, there is being built along the line a multi-channel communications system. The Mid-Canada line is also being tied into the vast communications network now being thrown across Canada and into the Arctic to link all elements of the warning and interceptor control system for United States and Canadian military and civil defence purposes.

"In solving the many, many problems of supply and construction on difficult terrain and in a climate of extremes, Canadians are learning how to build, how to work and how to live in the rigorous north...."



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INFORMAL U.S.-CANADA EXCHANGE OF VIEWS

WHITE SULPHUR SPRINGS MEETING: Addressing the House of Commons on April 9, the Prime Minister, Mr. St. Laurent, described the recent talks in which he took part at White Sulphur Springs, West Virginia, with the Presidents of the United States and of Mexico as follows:

"...The general discussion centered largely upon the comprehensive report which Mr. Dulles made on his recent visit to Asia. It has been stated in the press that in the subsequent exchange of views there was an emphatic expression of policy difference between the United States and Canada in respect of Communist China. The reports in that form are without foundation. It is quite true that both President Eisenhower and Mr. Dulles explained very frankly the reasons why recognition of the Communist Government at Peking could not be contemplated under present circumstances and why they felt their support should be continued to the Government of Chiang Kai-shek. However, there was nothing said about the Canadian position which would suggest any change whatsoever from that stated in the House by the Secretary of State for External Affairs on January 31, either in respect of recognition or of our attitude toward the islands of Quemoy and Matsu off the coast of China.

"Each government is fully aware of the position of the other in these matters as indeed they were before the meeting at White Sulphur

Springs. It is true, however, and this was recognized at our recent meeting, that there are many countries which have recognized the Peking regime, and that this has created a problem as to which regime should represent China at the United Nations, a problem which may be expected to grow more acute as time goes on.

"There was considerable discussion over the position in the Middle East, the seriousness of which, of course, everyone recognized. It was agreed that, while all possible steps to reduce immediate tension would be taken, peace could only be secured there by an agreed political settlement between Israel and its neighbours. In this connection, the three governments welcomed the expected intervention of the United Nations at this time, since formalized through the resolution which has just been passed unanimously by the Security Council....

"There was also general discussion of the possible consequences of recent Communist Party developments in Russia. I got the impression that it was felt that any firm conclusion in regard to the long-range importance of these changes would be premature but that, in any event, they would not warrant any relaxation of effort on our part, either in defence or diplomacy or negotiation.

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INFORMAL U.S.-CANADA EXCHANGE OF VIEWS

(Continued from P. 1)

"Consideration was also given to the problems arising out of the emergence of new states in Asia and Africa, states which are as sensitive about their national independence as they are insistent on greater human welfare for their people. In this connection there was an exchange of view as to the desirability of continuing international economic assistance to materially underdeveloped countries, and especially as to the importance of removing any feeling that such assistance on the part of Western countries had any ulterior motive or was inspired by any other spirit than good will and understanding. On the Canadian side, we expressed the view that it might help to remove any suspicion of ulterior motives if the United Nations were brought more into the picture than it had been, at least from the point of view of using the organization as a clearing-house for plans and policies and information in regard to international assistance schemes. We felt that this had been done with good results in the annual meetings of the Ministerial Committee of the Colombo Plan, and that possibly this practice could be usefully extended to the wider field of the United Nations, so that it would become clear to the whole world community what various countries were doing in this matter and why they were doing it.

TRADE RELATIONS

"In our bilateral talks, I emphasized once again to the President the importance of better-balanced trade between our two countries. I referred to the existing unfavourable balance in our visible trade, and I mentioned that the compensation or correction of this imbalance by capital movements occasionally was the cause of some concern in this country lest the control of our economic development, which should remain in Canadian hands, might be prejudiced thereby.

"I also suggested to the President that the time seemed to have come when problems regarding the use of water-power on rivers crossing the international boundary might well be studied at a conference between representatives of the two governments.... There was no discussion of the problem, but merely the suggestion that it would probably be desirable at this time to have it studied by a joint conference representing the two governments, to try to get at something which would make for the possibility of expeditious use of these water powers to the best possible advantage from their use. It was left at that, with the understanding that the subject would be further pursued in discussions between our Department of External Affairs and the Secretary of State of the United States...."

AECL SETS UP LIAISON OFFICE: Private industry will be encouraged to participate further in the Canadian atomic energy programme through an Industrial Assistance Office that Atomic Energy of Canada Limited has established at Chalk River.

The new office, to be headed by Dr. W.R. Livingston, will place special emphasis upon encouraging industry to take an active part in the development of atomic energy and will distribute technical information of particular interest to industry.

Private industry has taken an increased interest in atomic energy developments following the decision to build an experimental atomic power station and the declassification of a great deal of information for the Geneva conference last summer. Every major industry in Canada has now sent technical teams to visit Chalk River and the Industrial Assistance Office will help these companies to follow up their visits with new information and possibly further visits.

Furthermore, the Industrial Assistance Office will have the responsibility of drawing to the attention of private companies various new developments in atomic energy that might be applied in existing industrial programmes.

The new office will facilitate co-operation between Canadian and United States industry on the one hand and the Chalk River project on the other, as provided for under the Agreement for Co-operation Between Canada and the United States. Signed last June.

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AIRPORT TRAFFIC: Montreal's Dorval Airport has superseded Vancouver as Canada's busiest airport in terms of the number of landings and take-offs.

Departmental traffic controllers at Dorval handled 220,542 landings and take-offs during the year under review, as compared with 143,-824 for 1954. Second place went to Edmonton with a total of 181,581 (155,124 in 1954) and Vancouver was a close third with 180,689 (168,954).

Toronto's Malton Airport was fourth with 179,815. It was in third place in 1954 with 152,281 landings and take-offs.

Scheduled airline landings and take-offs, included in the above figures, were as follows: Montreal, 43,359; Malton, 41,846; Vancouver, 30,062; Edmonton, 23,397.

The compilation for 23 main airports showed an overall increase of 12.2 per cent with a total of 1,900,810 (1,693,133 in 1954). The Department of Transport now operates special training schools for traffic controllers at Malton and Winnipeg to furnish the highly trained personnel necessary to man the nation's civil airport traffic control services.

PASSAMAQUODDY POWER PROJECT: The Canadian Government announced on April 5 that a request had been received from the United States Government to join in a reference to the International Joint Commission for a survey on the feasibility of the proposed Passamaquoddy tidal power project. The Government has agreed to join with the United States in this reference (including investigations into the effect the proposed project might have upon fisheries) and discussions will shortly take place between the two governments on the terms of the reference to be submitted to the International Joint Commission and on the share of the costs to be assumed by Canada and the United States.

* * *

DEFENCE STUDENTS VISIT EUROPE: A group of 35 students and directing staff officials from the National Defence College at Kingston, Ontario, departed from Ottawa by RCAF aircraft on April 4 for a two-month tour of the United Kingdom, Europe, the Middle East and South Asia.

The party included senior officers from the three services and officials from governmental departments and industry who are attending the current course at the college.

After a stay of three weeks in the United Kingdom, the party will be divided into two groups. One group will visit cities in Europe; the other will proceed to the Middle East and South Asia. The party is due back in Ottawa on June 7.

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BEDS IN HOSPITALS REACH NEW PEAK: Canada's record-breaking postwar build-up of hospital services reached a new peak of 178,033 beds, including bassinets for newborn, in the last official count at the end of 1954. Thus one in every 85 Canadians could be accommodated in hospital at one time.

Public general and special hospitals, symbolizing the idea of "hospital" to most Canadians, had a total of 75,478 beds or about 5 per 1,000 population, this ratio showing an increase of 5 per cent over the previous year's figure of 4.75. They handled a record-breaking 1,915,000 admissions during the year, with an average daily load of 60,200 patients. In addition 337,000 newborn infants entered Canadian life through hospital portals during 1954 and made up nearly 6,000 of the 58,445 patients who were occupying hospital beds on the last day of the year. The average length of stay for treatment rose from 10.9 days in 1953 to 11.1 days in 1954, while the stay of newborn infants declined from 7.0 days to 6.8 days. There were 47,000 deaths in hospital, a drop in the death rate per 1,000 under care to 24.0 from the 1953 figure of 24.8. The percentage occupancy of bed capacity, usually aimed at 80 per cent for maximum efficiency, worked out at 79.8, down slightly from 81.2 in the year before.

ONTARIO FARMS GET MARITIME HELP: A movement of farm workers from the Atlantic provinces to Ontario started last week. This excursion, like many movements of farm labour in previous years, was arranged under federal-provincial farm labour agreements.

It is not known just yet how many Maritime workers will participate. Last year, more than 400 men took part in a similar movement from the Maritimes. It is expected that this year's demand for farm help in Ontario will be as heavy as, if not heavier than, last year's.

Recruiting for this movement is now underway throughout the Maritime Provinces and Newfoundland, in local offices of the National Employment Service. Provincial agricultural representatives are cooperating with the National Employment Service both in recruiting in the east and in placement on Ontario farms.

Labourers recruited in the east will be despatched to Ottawa or Toronto, where distribution will be made to areas requiring farm labour. In this cooperative effort of the railroad companies, the Federal Government and the Ontario government, a low excursion rate of \$5.00 for the outgoing journey and \$11.50 for the return journey between August 15 and October 31 has been provided.

Inexperienced men are being accepted, provided they are physically able and willing to learn general farm work, which usually involves spring seeding of crops, haying and harvesting, and care of livestock. While wages were a matter of arrangement between individual employers and farm workers, the basic wage at present in Ontario for suitably qualified workers was \$75 a month, including board and lodging. Experienced workers had in previous years received as much as \$80 to \$90 per month.

* * *

PPCLI WEAR BATTLE HONOUR: The ribbon of the United States Presidential Citation, awarded to the 2nd Battalion, Princess Patricia's Canadian Light Infantry, for gallantry in Korea in 1951, is to be worn by past and present members of the unit, it was announced recently by Army Headquarters.

The citation was made to the battalion by General James Van Fleet, then Commander of the United States Eighth Army, on behalf of President Harry S. Truman in June 1951. The honour, unique in the history of the Canadian Army, was given for "extraordinary heroism and outstanding performance of duties against the enemy" near Kapyong, Korea, April 24-25, 1951.

The blue and gold insignia, one and three-eighths inches by a half-inch, will be worn on the sleeves of both arms immediately below the regimental flash..

The 2nd Battalion, PPCLI, already recognizes the citation by carrying a streamer on its regimental colour. The streamer is blue with the word KAPYONG inscribed in white block letters.

FOREIGN COMMODITY TRADE UP: Canada's foreign commodity trade showed further large gains in February, with exports nearly 17 per cent higher in value than a year earlier and estimated imports up slightly more than 32 per cent, according to preliminary figures released by the Dominion Bureau of Statistics. The rates of gain in the month were practically the same for both exports and imports as in January and, as in that month, both were new peak values for the period. Most of the gain in each was in trade with the United States.

Commodity imports in February climbed \$99,-200,000 in value over a year earlier to an estimated \$407,100,000 from \$307,900,000, bringing the two-month total this year to \$811,200,000 from \$614,500,000 in 1955. Imports from the United States accounted for \$76,000,000 of the month's gain with a rise to \$308,700,000 from \$232,700,000. Estimated purchases from the United Kingdom advanced moderately to \$30,900,000 from \$25,600,000, from other Commonwealth countries to \$13,200,000 from \$10,800,000, and increased somewhat more from all other countries to \$54,300,000 from \$38,800,000; all these gains closely paralleling those of January.

Total exports in the month advanced \$51,-100,000 to \$352,600,000 from \$301,500,000 in February last year, raising the two-month aggregate to \$718,000,000 compared to \$611,-600,000 a year ago. February shipments to the United States were up \$34,200,000 from a year earlier at \$215,800,000. Sales to the United Kingdom increased to \$58,800,000 from \$55,-300,000, to other Commonwealth countries to \$18,800,000 from \$16,800,000, and to all other countries to \$59,200,000 from \$47,800,000.

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NEW COD FISHERIES: Excellent codfishing grounds in both inshore and offshore waters have been discovered on the east coast of Newfoundland as the result of "longlining" experiments carried out by the Fisheries Research Board of Canada for the federal Department of Fisheries during the past five years.

These grounds, according to a report just released by the Board, extend from the northern edge of the Grand Banks to beyond the Strait of Belle Isle, and spread over an area from 10 to 60 miles offshore.

The discoveries have already started an important commercial development at Bonavista in the formation and growth of a longlining fleet which last year totalled fifteen vessels.

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ASBESTOS SHIPMENTS LOWER: Shipments of asbestos from Canadian mines eased slightly to 67,853 tons in February from 68,520 a year earlier and to 126,724 tons in the two months, January and February, from 129,486 tons. Exports rose in January to 65,661 tons from 56,175 a year ago.

BIG RADAR CONTRACT: A contract totalling more than \$5,000,000 to develop and manufacture radar installations for 15 major airports stretching across the width of Canada has been awarded by the Canadian Government to Raytheon Manufacturing Company.

The radar network will be a major factor in the Canadian Department of Transport's comprehensive programme of transcontinental airport development and air traffic control, specifically aimed at equipping Canada's airways for the jet age.

The radar installations will be made at airports at Moncton, Seven Islands, Quebec, Montreal, Ottawa, Toronto, London, North Bay, Fort William, Winnipeg, Regina, Saskatoon, Edmonton, Calgary and Vancouver. Delivery of the units will start early in 1958.

The equipment, designated Airport and Airways Surveillance Radar (AASR), will make it possible to keep aircraft flying between any of Canada's 15 major airports under close observation, even in stormy weather. While the Canadian Department of Transport's specifications called for a radar capable of tracking a plane at a distance of 120 miles, Raytheon engineers are confident that their equipment will permit each airport to track large commercial airliners within a radius of up to 200 miles. This estimate, it was pointed out, is based on the actual performance of more than 1000 Raytheon military air search radar units now used by the United States military forces. Because Canada's principal airports, with but one exception, are no more than 400 miles apart, the overlapping patterns of radar surveillance will provide almost continuous coast-to-coast coverage.

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IRON ORE SHIPMENTS UP: Shipments of iron ore from Canadian mines continued sharply higher in February. The Dominion Bureau of Statistics reports the month's total at 139,-131 tons compared to 83,704 a year earlier, bringing January-February shipments to 515,481 tons versus 192,725.

Shipments of ore to Canadian consumers rose to 72,779 tons in February from 24,378 and to 275,603 tons in the two-month period from 35,-867. Ore shipped for export increased to 66,-352 in February from 59,326 and to 239,878 tons in the two months from 156,858.

* * * *

ELECTRIC ENERGY IN JANUARY: Output of electric energy by central electric stations eased to 6,512,002,000 kilowatt hours in January from last year's corresponding total of 6,-546,830,000. Consumption of primary power - imports, less exports and secondary power - rose to 6,077,802,000 kilowatt hours from 5,-797,713,000. Exports to the United States fell to 266,548,000 kilowatt hours from 375,907,-000, but the imports rose to 39,581,000 kilowatt hours from 3,466,000.

SAFETY, EFFICIENCY AND COMFORT IN THE AIR

A YEAR OF TECHNICAL ADVANCE: "Important orders for new equipment placed during the past year and a number of new major construction projects as well as new regulatory procedures had contributed substantially during the past months to the further development of the Canadian system of airports and airways," said the Honourable George C. Marler, Minister of Transport, in a statement released in Ottawa on April 11 describing the highlights of Canada's civil aviation programme during the past fiscal year. Mr. Marler pointed out that these steps would not only make available better facilities for the travelling public and for the airlines serving Canada but also would provide for more efficient control of aircraft on the airways and ensure the maintaining of proper standards of safety.

Mr. Marler said that "the carrying out in the post-war years of an integrated programme of developing airport and airway facilities has been one of the outstanding features of Canadian aviation." The work done included the lengthening and strengthening of runways at numerous airports; the building of improved terminal buildings and other public facilities; the installation of instrument landing systems and high-intensity lighting to facilitate landing in poor weather; the provision of Ground Control Approach at the international airport of Gander; the installation now in progress on the trans-continental airway of the Visual Omni-Range (VOR) for the better guidance of pilots in flight; the expansion of the Air Traffic Control service; and the prospective installation of surveillance radar that was expected to facilitate greatly the control of the ever-increasing volume of air traffic.

Of airport development Mr. Marler said that the first task undertaken by the Department of Transport in the immediate post-war years was the development of runways adequate to meet the needs arising from the rapid growth of civil aviation. By the early fifties, the national network of civil airports had been brought to a point where planes in standard commercial use could land at any of the main Canadian airports.

"Initially, runways were planned for such aircraft as the DC4, DC6 and Lockheed 749," said Mr. Marler, "but when it became evident that heavier and faster types of aircraft, such as the CD6B and the Lockheed 1049, were to be built, plans were adjusted and additional construction work undertaken so that our airports could accommodate these new aircraft." Mr. Marler added that the programme for the development of runways was now being revised "to take account of the requirements

of the aircraft we expect to see in operation in the 1960's, including the provision, where necessary, of runways suitable for use by large turbine-powered aircraft such as the British Britannia, Douglas DC8, Lockheed Electra 7 and Boeing 707."

Mr. Marler pointed out that Canada had been one of the first countries to adopt the policy of installing at all the main airports across Canada high-intensity lighting for both approach and runway purposes and to reach a decision on the layout and type of lighting to be used for these purposes. The installation of a centre-line approach system of high intensity lights, which fitted in directly with military aviation requirements as well, was now close to completion in Canada, he said. During the same period instrument landing systems (ILS) had been installed as the standard instrument landing aid at Canadian airports. The programme for installation of VOR ranges on the transcontinental airways was also well under way.

Some years ago, a special study was made by Canada's civil aviation authorities of the question of land requirements for future construction and expansion of airports, and also of protection of airports from building obstructions in the vicinity. Following a review of land requirements to provide for expansion of Canada's major transcontinental airports over the next twenty-five years, the Department of Transport had been authorized to proceed with an extensive programme of land acquisition, and with this in mind, substantial areas of land in the vicinity of airports at Vancouver, Winnipeg, Toronto and Montreal had been acquired, while lesser purchases had been made at a number of other airports.

At the same time, under federal legislation passed in 1952, the Department has proceeded with a programme of zoning at the major airports in the largest metropolitan areas including Toronto, Montreal, Winnipeg and Vancouver. In due course it proposes to extend the programme to other airports. This zoning places limits on the height of buildings in the area surrounding an airport so that future construction will not obstruct flying operations.

Illustrating the need for maintaining control over air traffic, Mr. Marler said that the number of aircraft landings and take-offs controlled by towers operated by the Department of Transport has increased from 711,560 in 1950 to 1,900,810 in 1955. "This expansion in traffic," he said, "combined with the growing number of aircraft operating under Instrument Flight Rules, has substantially increased the volume of work of the personnel employed in the air traffic control service."

JAZZ AT STRATFORD: Both jazz and opera will be offered by the 1956 Stratford Music Festival at Stratford, Ontario, this summer, it has been announced by Louis Applebaum, Director of Music for the Stratford Shakespearean Festival. Duke Ellington and his orchestra will present jazz concerts. The Music Festival's programme will include such artists as pianist Rudolf Serkin and baritone Martial Singher, alternating with Canadians Glenn Gould, Jon Vickers, Pierre Souvarain and Leo Barkin, along with pianist Claudio Arrau, soprano Inge Borkh, and several other fine vocalists. A two-act opera, "The Rape of Lucretia" by Benjamin Britten, is to be presented.

A newly-formed Festival orchestra made up of about 40 musicians will play under guest conductors Reginald Stewart and Heinz Unger. The Music Festival will run for five weeks from July 7 to August 11, presenting a total of 31 concerts. The drama season at Stratford this year will run for nine weeks, beginning June 18.

Besides Duke Ellington, Wilbur de Paris and his New Orleans Orchestra, the Dave Brubeck Quartet, the Art Tatum Trio and other jazz groups will perform at Stratford.

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EARTHQUAKE RELIEF FOR LEBANON: The Department of External Affairs announced on April 6 that \$25,000 in relief supplies had been offered to Lebanon through the Canadian Red Cross Society following recent severe earthquakes there which caused considerable damage and loss of life. There are 40,000 people homeless and reports also indicate outbreaks of infectious diseases particularly among children. The relief assistance will be in the form of drugs and blankets.

For this purpose the Canadian Red Cross Society will use \$25,000 of the unexpended balance of the European Flood Relief Fund. The Fund was originally established for relief assistance to Great Britain, the Netherlands and Belgium following the disastrous floods there in 1953. The use of the Federal Government's portion of the Fund by the Canadian Red Cross for international relief purposes was approved by Parliament with the passing of the final supplementary estimates.

The Canadian Junior Red Cross is also offering \$10,000 in drugs and antibiotics.

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VISIBLE WHEAT SUPPLIES UP: Visible supplies of Canadian wheat in store or in transit in North America on March 23 amounted to 344,-246,000 bushels, an increase of 10,319,000 bushels over a year earlier. Marketings from farms in the Prairie Provinces jumped to 5,-580,000 bushels during the week from 2,892,000 a year ago, while the overseas export clearances eased to 3,289,000 bushels from 3,490,-000.

HIGHWAY PROGRESS IN SASKATCHEWAN: Progress on the Trans-Canada Highway in Saskatchewan by the end of 1955 included about 90 per cent of the grading and 75 per cent of the paving needed to complete the 406-mile all-weather route through the province. Greatest single achievement of the year's operations was completion of grading and paving west from Swift Current to the Alberta Boundary. Now, with parts of the old No. 1 Highway being used still, it is possible to cross the province from Manitoba to Alberta on pavement except for two short stretches of gravel surface.

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1956 GAELIC MOD: The opening date of the Nova Scotia Gaelic Mod at St. Ann will be August 8, instead of August 9, as previously reported. The Mod will run through August 13.

Honoured guests from Scotland at the Mod will be General Sir Gordon MacMillan of MacMillan, and the Marquis of Huntly, Chief of Clan Gordon, and their ladies.

August 8 will be Clan MacMillan Day, August 9 Clan Gordon Day, August 10 Clan Matheson Day, and August 13 Cape Breton Island Day.

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CANADIAN WATERS YIELD PRIZE FISH: The 1955 annual fishing contest conducted by Field and Stream Magazine produced a total of 40 prize-winning fish caught in Canadian waters. An executive of the magazine commented: "Once again Canada has done herself proud". Three first prizes, four seconds, four thirds, three fourths, five fifths, and 21 honourable mentions went to Canadian-caught fish.

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SHARP INCREASES IN FUR PRODUCTION: Boosted by sharp increases in the take of beaver, muskrat and squirrel pelts, total production of furs jumped 54 per cent in the 1954-55 season as compared with the preceding year. The rise in production was accompanied by an increase of 58 per cent in overall value with better prices for beaver, muskrat and mink pelts. The total number of pelts taken from wild-life and ranch-raised animals was 9,670,-796 valued at \$30,509,515. Fur farm production accounted for 43 per cent of the total value compared with 49 per cent in 1953-54.

By value the leading furs were: mink, \$15,-428,000 (\$11,279,000 in 1953-54); muskrat, \$6,519,000 (\$3,159,000); beaver, \$4,767,000 (\$2,562,000); squirrel, \$1,287,000 (\$809,000). The numbers of these pelts produced were: mink, 796,000 (704,000 in 1953-54); muskrat, 5,619,000 (3,362,000); beaver, 320,000 (242,-000); and squirrel, 2,332,000 (1,462,000).

The number employed in the gold mining industry decreased to 16,579 in 1954 from 16,815 in 1953 but the number of man-hours worked increased to 38,621,888 from 37,880,785.



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CRISIS IN THE NEAR EAST

A CANADIAN INTERPRETATION: "It occurred to me that you might find it interesting...to consider something of what the difficult events that have been going on in the Near East mean for Canada, and might mean for us," Mr. Lucien Cardin, Parliamentary Assistant to the Secretary of State for External Affairs, told the Belleville Kiwanis Club on March 27. After some introductory observations on the background of current tension in the Eastern Mediterranean and in Israel, the speaker continued as follows:

"...What then is our concern in Canada with these matters that are taking place in countries so far removed from us? Well, first of all, we, along with 14 other countries, are members of the North Atlantic Treaty Organization, and this alliance we believe is fundamental to our security. Anything which weakens it is a direct menace to us. To deal with the disorders in North Africa, the French have had to move from the continent to Europe most of their best defence forces, and to this extent we are more vulnerable. The dispute in the Island of Cyprus between the British and the Greeks (with the Turks, of course, also involved) has involved members of Nato in unfortunate disagreements. In the dispute between Egypt and Israel, we have certain very special interests. First of all, in the deliberations and the decisions of the United Na-

tions in 1947 and 1948 which led to the creation of the State of Israel, we Canadians played an extremely important part. The present Secretary of State for External Affairs, the Honourable L.B. Pearson, was Chairman of the General Assembly's Political Committee which arranged to send a committee of enquiry to Palestine in 1947. Mr. Justice Ivan C. Rand of the Supreme Court of Canada was an influential member of this committee. Canada was at that time a member of the Security Council (as we may be again next year) and under the leadership of General McNaughton, the Canadian chief representative, the Canadian Delegation played a very active role in the various negotiations and resolutions which led to the creation of Israel. We have, moreover, in Canada a very considerable Jewish minority (about 1.5 per cent of our total population) and this minority of hardworking people has been extremely generous to the members of their own faith in the new State of Israel. Not long ago, for example, they contributed one of the most important buildings to the new Jewish University in Tel Aviv. The welfare of the people of Israel and of the Arab states is threatened by the continued quarrel between them. It is essential, therefore, that a solution to this problem be found....

(Continued on P. 2)

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CRISIS IN THE NEAR EAST

(Continued from P. 1)

"It seems apparent...that to help maintain peace in the Near East, we may well be called upon to assume grave responsibilities. I would remind you of my earlier observations on the fact that we Canadians are deeply involved in these matters and that we cannot be indifferent to them....

"The Western powers, whether Great Britain, or France, or Italy, or Denmark, or Norway, or the United States, or ourselves, have decided that our security is a community enterprise and that none of us can be secure without the others. Hence it must follow that the interests of Great Britain and France are partly ours, or even largely so, and that a threat to any of our allies becomes perilous to ourselves.

"I should like now to return briefly to the point I was making above that the recent intervention of the Soviet Union into the fields of capital and technical assistance confronts us with new and possibly dangerous dilemmas. Until about a year and a half ago, the Soviet Union showed no particular interest in providing capital and technical assistance to under-developed countries (apart from China). But beginning toward the end of 1953 and continuing at a pace accelerated particularly since the autumn of 1955, the leaders of the Soviet Union have shown a very great interest and a very great activity in these matters. There has been, of course, the familiar arms deal with Egypt; the offer of a \$100 million steel mill to India; even Pakistan, one of our best friends in the East, has sent a trade mission to Moscow; and in so small a country as Yemen in Southeast Arabia the Russians have made an agreement to exchange Russian machinery for coffee, cotton and dried fruit....

"I do not think that anyone, whether in Ottawa, or in Washington, or in London, or in Paris, has a ready-made answer to this problem. It seems evident that we must be prepared for long and serious competition with the Russians, and it must be admitted that they have many immediate advantages in their favour - vast resources which can be used precisely as their leaders direct, and a hungry one-third of the world which may not be sufficiently mature to enquire into the motives of its benefactors. Already, for example, it seems evident that on the basis of a few promises, and not very much else, the Russians have won a considerable propaganda victory; it seems equally evident that they are prepared to stir up any sort of mischief in the East which will bring trouble to the Western alliance of free nations. We must clearly remain united. We must remain strong, and probably we must be prepared to be much more generous to those areas of the world which have long accepted starvation, disease and ignorance as their normal lot...."

NEW BUILDING HONOURS CANADIAN V.C.: The new Federal Building in Nelson, British Columbia, which was opened April 3rd by the Honourable James Sinclair, Minister of Fisheries, is named after one of Canada's most gallant sons, Lieutenant Robert Hampton Gray, V.C., D.S.C., R.C.N.V.R. Lieutenant Gray, a pilot in the Fleet Air Arm, was killed in action August 9th, 1945, after sinking a Japanese warship in the Pacific.

Lieutenant Gray, a native of Trail, British Columbia received his commission in the Fleet Air Arm and was promoted to Lieutenant in December 1942. He joined the British aircraft carrier HMS Formidable in 1944 and remained with her until his death. He was mentioned in dispatches for his flying operations in the Alten Fiord, Norway, where the German battleship Tirpitz was hiding. In April 1945 he received the Distinguished Service Cross for flying operations south of Okinawa in the Pacific.

On August 9th, 1945, Lieutenant Gray was reported "missing, presumed dead". He was subsequently awarded the Victoria Cross for his action on that day. His citation read as follows:

"For great bravery in leading an attack to within 50 feet of a Japanese destroyer in the face of intense anti-aircraft fire, thereby sinking the destroyer although he was hit and his aircraft on fire and, finally, himself killed. He was one of the gallant company of naval airmen who in December 1944 fought and beat the Japanese from Palembang to Tokyo.

"The actual incident took place in the Onagawa Wan on 9th August, 1945. Gray was leader of the attack which he pressed home in the face of fire from shore batteries and at least 8 warships. With his aircraft in flames he nevertheless obtained at least one direct hit which sank his objective".

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ONTARIO EDUCATION GRANTS UPPED: An increase of 50 per cent in Ontario Government supplementary per pupil grants from \$4.00 to \$6.00 to local school boards was announced by Provincial Treasurer Dana Porter, Q.C., in the Legislature. Under the new scale, school boards will get an amount in excess of \$6,000,000 compared with about \$4,000,000 last year.

The grants are based upon the average daily attendance in 1955 in elementary and secondary schools, and Mr. Porter said it was considered advisable to reveal the Government's intention now in order to assist school boards in the preparation of their budgets.

Education Minister Dr. W. J. Dunlop stated that negotiations are proceeding under which the Government may increase grants to the seven universities in the Province "for their increasing needs." Now grants, regular and supplementary per pupil are made to the universities yearly amounting to about \$12,000,000.

HIGHWAY ACT AMENDED: On March 22, in the House of Commons, Mr. Winters, Minister of Public Works, made the following statement on a resolution to amend the Trans-Canada Highway Act:

"The Trans-Canada Highway Act, which became law on December 10, 1949, was enacted to encourage and to assist in the construction of a continuous high standard road following the shortest practical east-west route across Canada. The Act provides that the Federal Government may make contributions to a provincial government of 50 per cent of the construction costs of the Highway over a period of seven years and the agreements under the Act provide further that the Federal Government may pay in respect of sections previously constructed along the route of the Trans-Canada Highway between April 1, 1928 and December 10, 1949. The estimated cost of completing the Highway in 1949 was \$300 million and the amount voted by Parliament as the Federal Government share was \$150 million.

"The total length of the highway along the designated route in all ten provinces is approximately 5,000 miles. Quebec has not signed an agreement under the statute and has not participated. The mileage in the nine participating provinces, including Banff and Yoho National Parks, is 4,580 miles.

EXTENT OF PAVED

"For distances totalling approximately 2,850 miles, there is a paved highway, although to date the equivalent of only 1,600 has been constructed to the approved standard. Thus there remains approximately 1,545 miles of highway unpaved and there is 185 miles on which there is no highway of any kind.

"It's therefore now apparent that the terms of the present agreements which provide for the completion of the project by December 9, 1956, cannot be met. There have been various reasons for delays, including weather, the necessity of diverting materials and effort into the defence build-up at the time of the Korean war, difficult terrain and others. In the overall, however, progress has been disappointingly slow.

"The purpose of this amendment is to seek authority to introduce a bill to extend the period of construction, to provide additional funds and to alter the formula so as to enable the Federal Government to provide greater financial assistance in constructing select sections with a view to closing at the earliest possible date those gaps in which no highway exists at all at the present time or in which there is a road of inferior standard and which needs to be rebuilt.

"In no province does the gap or the combined lengths of gaps where there is no highway of any kind exceed 10 per cent of the total mileage in that province. The resolution therefore indicates that the bill will seek authority for the Minister of Finance to pay a high-

er contribution for a portion of the Highway in a province not exceeding 10 per cent of the mileage. The Federal Government contribution for these gaps will be increased from 50 per cent to 90 per cent of the cost of construction...."

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HOSPITALS STUDY DISASTER ROLE: Twenty-seven hospitals from Western Ontario and as far north as the Lakehead took part in the seventh nationally sponsored Hospital Disaster Institute which was held at the Metropolitan General Hospital in Windsor, Ontario, on April 5 and 6. The main purpose of the Institute which was under the sponsorship of the Federal Civil Defence Health Services, was to assist hospitals in preparing plans that would make it possible for them readily to absorb an overflow of casualties in the event of a large-scale natural disaster.

The two hospitals that participated in the Institute were the Metropolitan Hospital at Windsor and the Leamington District Memorial Hospital of Leamington, Ontario. The last Institute was held in Toronto in December 1955 and others have been held in Montreal, Halifax, Victoria, and Hamilton. Similar Institutes are still to be held under federal sponsorship for hospitals servicing the Prairie Provinces.

Hospital administrators, chiefs of medical services and directors of nursing services attended the Institute as observers from the 27 invited hospitals. About 150 persons took part, representing hospitals servicing numerous cities and towns north to Fort William and Port Arthur and easterly to St. Thomas and London.

The Honourable Paul Martin, Minister of National Health and Welfare and federal Cabinet Minister responsible for Civil Defence, the Honourable W.M. Nickle, Minister of Planning and Development and Minister responsible for Civil Defence for the Province of Ontario, His Worship Michael Patrick, Mayor of the City of Windsor, and Lieutenant-Colonel W.L. McGregor, chairman of the Board of Governors of the Metropolitan General Hospital, addressed the opening meeting. Dr. R.G. Struthers, secretary of the Civil Defence Health Services Advisory Committee for the Ontario Department of Health, led the final discussion of the Institute on integrating a hospital disaster plan into community planning.

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SHAPE ANNIVERSARY: Four members of the 1st Battalion, The Royal Canadian Regiment, represented the Canadian Armed Forces at the Fifth Anniversary of SHAPE in Paris on April 4.

The scarlet-jacketed paratroopers in full dress uniform, formed part of a guard of honour at SHAPE Headquarters. Representatives of 15 NATO nations participated in the anniversary celebrations.

MORE SEAWAY CONSTRUCTION: The Honourable Lionel Chevrier, President of The St. Lawrence Seaway Authority, recently announced the award of the first construction contract in the 16-mile Soulanges Section of the St. Lawrence Seaway.

The contract, for the first stage of the Lower and Upper Beauharnois Locks, is valued at \$3,479,750. It will initiate the construction of the two single locks, and their approaches, near the Power development at Melocheville, which will complete the junction between Lake St. Louis and the navigation channel in the Beauharnois Power Canal. The lift of the locks will be approximately 47 feet each, the level of Lake St. Louis being approximately 94 feet lower than the level of the Beauharnois Power Canal already built to the required 27-foot Seaway depth.

The work includes clearing of the contract site, excavation of some 200,000 cubic yards of common excavation and of some 1,100,000 cubic yards of rock excavation, rock grouting, cofferdam construction and unwatering, construction of service roads and the relocation of a portion of the New York Central Railroad line.

On March 22, the St. Lawrence Seaway Authority's President, in a press conference at Montreal, revealed plans for a four-lane roadway tunnel under the Lower Beauharnois Lock to ensure uninterrupted traffic on Provincial Highway No. 3. The present contract also provides for the excavation required for the construction of this tunnel.

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RADIO CANADIAN ARMY EUROPE: Radio Canadian Army Europe, the Old World's newest addition to the airwaves, is rapidly dispelling that "away-from-home" feeling of troops and dependents of Canada's NATO land force in Germany. The 250-watt Army broadcasting outlet went on the air March 21 and to the 9,000 soldiers, wives and children of the 2nd Canadian Infantry Brigade Group it's just like a perpetual letter from home.

The station, which compares in programming and equipment with any average radio outlet in Canada, brings to the overseas troops all the popular Canadian and U.S. network shows, some within a few hours after being heard in Canada.

Currently popular among the troops are the short-wave transmissions of the National Hockey League playoffs, which are recorded from the Canadian Broadcasting Corporation's international broadcasts and replayed for the troops only six to seven hours after game time.

Also well up on the popularity list are broadcasts of national and provincial news from home, heard three times daily.

Radio Canadian Army Europe broadcasts an average of 13 hours a day, with special shows slanted for women and children in the morning

and early evening. For French-speaking members of the Brigade special CBC French Network shows are carried about 15 hours a week.

Germans too, in and around the Westphalian towns of Soest, Hemer, Werl and Iserlohn, where the Canadians are located, have been curiously tuning their dials to the Canadian frequency for their first taste of Canadian radio.

A large percentage of the German population understands English and is now able to take a closer look at the people that have been sitting on their doorsteps for the past four-and-a-half years.

Radio Canadian Army Europe is located in Werl and sits on the highest point of land in the Canadian sector.

Its 330-foot transmitting mast beams in an east-to-southwest arc, to cover the other two Canadian centres within a 50-mile radius.

* * *

ONTARIO GOLD OUTPUT: Production from the 31 producing Ontario gold mines for the month of February amounted to 750,072 tons of ore milled containing 196,731 ounces of gold and 30,853 ounces of silver valued at \$6,913,860. In the corresponding month in 1955, there were 33 producing mines which milled 766,556 tons of ore with a content of 196,421 ounces of gold and 34,439 ounces of silver having a total value of \$6,669,526.

The daily averages for the month were 25,-864 tons of ore milled, 6,783 ounces of gold and 1,006 ounces of silver and a value of \$238,409. There were 10,456 wage-earners during the month compared with 10,852 in the previous February. The average grade of ore was \$9.21.

Operations at the Young-Davidson mine are being closed down and the results of mill clean-up will be reported later.

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BLACK WATCH PIPERS TO VISIT BERMUDA: The combined Pipes and Drums of the 1st and 2nd Battalions, The Black Watch (Royal Highland Regiment) of Canada, will take part in a military tattoo in Bermuda this month. The pipes and Drums, 31 strong, are going to Bermuda at the invitation of Lieutenant General Sir John D. Woodall, Governor and Commander-in-Chief of the colony.

Other units to participate in the tattoo include: the 1st Battalion, Duke of Cornwall's Light Infantry, the British garrison in Bermuda; Royal Marines from HMS Kenya; the Bermuda Artillery; the Bermuda Rifles, and local forces.

During January and February of this year 8,056 mining claims were recorded in Ontario, an increase of 1,219 claims over the corresponding period in 1955, in which year an all-time high staking record was established.

COATS OF ARMS FOR TERRITORIES: The Arctic narwhal and the Yukon malamute have joined the lion, the unicorn, and the rest of the heraldic company that comprise the Coats of Arms of Canada and the provinces. The Northwest Territories and Yukon Territory now have their own emblems.

The choice of heraldic symbols was not easy. To design Coats of Arms for such a land as the north - one third of Canada - called for research into heraldry as well as into the history of the north itself. When the design stage was reached, the advice was sought of Lieutenant Commander Alan B. Beddoe, Heraldic Advisor to the Royal Canadian Navy.

The designs were submitted to the two Territorial Councils. Each Council made its choice unanimous and requested that its Coat of Arms be submitted to Her Majesty Queen Elizabeth. The College of Heralds, after examining the heraldry, recommended the designs to Her Majesty who fixed the Royal Signature to them.

The colours of the Yukon Coat of Arms are gold and red. The crest, surmounting the shield, shows a malamute on a mount of snow. In the chief, or upper portion of the shield, is the heraldic symbol representing fur, set in the Cross of St. George. The Yukon's mineral wealth is symbolized by discs of gold set within the mountains (two red pyramids). The Yukon River runs between.

The colours of the Northwest Territories are white and red. On the crest two gold narwhals erect face outwards, guarding a compass rose (the North Magnetic Pole). A wavy blue line crossing the white chief symbolizes the Northwest Passage running through a field of ice. This is not only a geographical description of the High Arctic but a reference to the early history of seafaring which first brought the Territories to the attention of the outside world. Below the chief the red and green field is divided diagonally to symbolize the tree-line. One section shows the green Mackenzie Valley; opposite, the tundra is represented in vivid red. Billets of gold and the mask of a white fox symbolize minerals and fur, important bases of northern wealth.

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MOBILE DENTAL CLINIC: In most parts of Ontario when children and dentists get together to conduct the business of tooth health, it is the children who go to the dentists' offices. Not so, however, in the remote northern areas of the Province, because it is the dentists' offices that go to the children - via one of two railway dental cars operated by the Ontario Department of Health.

Operated in conjunction with the railway, this particular car is one of two that cruise the hinterlands of Ontario on the northern CNR and Canadian Pacific Railway from the Quebec border to the Manitoba boundary, a distance of over 1,700 miles.

DIPLOMATIC SHUFFLE: The Secretary of State for External Affairs announced on April 3 the following appointments and transfers within the Canadian Diplomatic Service:

Mr. K.P. Kirkwood, Canadian Ambassador to Egypt and concurrently Canadian Minister to Lebanon, will succeed Mr. E.H. Norman as Canadian High Commissioner to New Zealand, and is expected to take up his appointment in mid-summer of this year.

Mr. Norman will succeed Mr. Kirkwood as Canadian Ambassador to Egypt and Canadian Minister to Lebanon. Mr. Norman is expected to take up his new duties during the summer.

Mr. J.B.C. Watkins, Canadian Ambassador to the Union of Soviet Socialist Republics, will return to Canada to become Assistant Under-Secretary of State for External Affairs, effective June 4.

Mr. D.M. Johnson, Canadian Commissioner on the International Supervisory Commission for Vietnam, will succeed Mr. Watkins as Canadian Ambassador in Moscow. Mr. Johnson will take up his appointment in July.

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ANKARA BORROWS FISHERIES EXPERT: Ian S. McArthur of the federal Department of Fisheries has been lent by the Government of Canada for a three-month assignment in Turkey to the Fisheries Division of the Food and Agriculture Organization of the United Nations. He will serve as consultant to the Turkish Government in its fisheries development programme.

Mr. McArthur's experience with the Fisheries Prices Support Board and the fishing-vessel indemnity plan, as well as with various governmental programmes to aid the development of Canadian fisheries, particularly in Newfoundland, places him in a position to be of service to the Turkish Government in similar matters. He served as the fisheries member of the Canadian delegation to the eighth annual conference of FAO in Rome last November, and at that time took the opportunity of making a brief visit to Turkey to discuss the proposed assignment to that country.

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NRC SCHOLARSHIPS, 1956-1957: The National Research Council of Canada has granted 269 scholarships for 1956-57, with a total value of \$345,500. These include 65 bursaries of \$800 each and 155 studentships of \$1200 each. All of these are to be held in Canada.

Special scholarships awarded for study abroad include 27 awards of \$2000 each. These are to be held in the following countries: nine in the United States of America, fifteen in the United Kingdom, one in France, and two in Sweden.

Twenty-two postdoctorate overseas fellowships of \$2500 have been granted for work in the following countries: fourteen in the United Kingdom, one in Germany, three in France, one in the Netherlands, and three in Switzerland.

PLANT EXPANSION IN 1955: Expansion of Canadian manufacturing plants during 1955 created at least 14,000 new jobs for Canadian workers, it was revealed recently by the Honourable Milton F. Gregg, Minister of Labour. This total was exceeded in 1954, when there were an estimated 18,350 new jobs created by expansion in manufacturing. These figures were brought to light by the annual survey of the effects of plant expansion on employment conducted by the Labour Department's Economics and Research Branch.

The number of job opportunities resulting from plant expansion has dropped progressively since 1952. In that year the new job total reached a peak of 34,300, largely as a result of the rapid expansion in defence industries, reflecting expenditures on aircraft, ships and electronic equipment. In the aircraft industry alone employment increased by more than 10,000 between 1951 and 1952 as a result of plant expansion.

Last year there was a rapid recovery in the general level of production and employment. In many industries existing facilities were strained and the demand for additional capacity was renewed. The value of permits issued for the construction of industrial plants in the last half of 1955 was 50 per cent greater than in 1954 and almost equal to that in 1953. This upsurge in investment has not yet resulted in new manufacturing jobs, but will probably be reflected in the number which become available in 1956.

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IMPERIAL GENERAL TO VISIT CANADA: Lieutenant General W.P. Oliver, Vice-Chief of the Imperial General Staff, will deliver a special address to students at the Canadian Army Staff College, Kingston, on April 17. Before his Kingston visit, General Oliver will meet senior officers of the Canadian Army at Army Headquarters.

General Oliver will deliver a series of lectures at several United States Army installations before coming to Canada.

He will give the staff College students his views on the problems facing the United Kingdom land forces in view of their world-wide commitments.

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FRENCH FERTILIZER FOR MEDICINE HAT: A \$22-million factory is being built at Medicine Hat, Alberta, to produce new chemical fertilizers under licence from the French Saint-Gobain Company. The new plant may be finished later this year and should be in production in 1957. It will be operated by the North-Western Nitro-Chemical Company, Limited, a subsidiary of the Commercial Solvents Company. The fertilizers produced are expected to be used by farmers in the Canadian Prairie provinces and the Northwestern United States.

NEW AUSTRIAN ENVOY: On March 28, His Excellency Dr. Kurt Waldheim presented to the Deputy Governor General, the Honourable Mr. Justice P. Kerwin, his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Austria to Canada.

Dr. Waldheim, who was born in 1918, is a Doctor of Law of the University of Vienna. He entered the Austrian Foreign Service in 1945 and participated in the negotiations for an Austrian State Treaty in Paris, London and Moscow. From 1948 to 1951, he served at the Austrian Embassy in Paris. In 1951, he was appointed Head of the Personnel Department of the Austrian Foreign Ministry. Since spring 1955, he has been serving as Permanent Observer of Austria to the United Nations with the rank of Minister.

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WHEAT AND WHEAT FLOUR: Exports of Canadian wheat in the first half of the current crop year amounted to 97,100,000 bushels, about 15 per cent below the preceding year's 114,700,000 bushels. The United Kingdom, as Canada's principal export outlet for wheat as grain, accounted for 43,700,000 bushels or 45 per cent of the August-January total. Other leading markets were as follows: Japan 13,000,000 bushels; Federal Republic of Germany, 10,200,000; Belgium, 5,800,000; Poland, 5,800,000; Switzerland, 2,500,000; United States, 2,500,000; Austria, 2,200,000; Italy, 2,000,000; Norway, 1,900,000; Netherlands, 1,700,000; Ireland, 1,600,000; and the Union of South Africa, 1,500,000.

Wheat flour exports for the half-year period were the equivalent of 18,600,000 bushels of wheat, about 8 per cent below last year's 20,200,000 bushels. As with wheat as grain the United Kingdom continued as the major market for Canadian wheat flour, accounting for the equivalent of 5,400,000 bushels or 29 per cent of the six-month total. Other leading markets for Canadian wheat flour were: Philippine Islands, 2,800,000 bushels of wheat equivalent; Venezuela, 1,800,000; Trinidad and Tobago, 1,200,000; Jamaica, 600,000; and Leeward and Windward Islands, 500,000.

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SOMETHING FOR THE BIRDS: To help overcome a critical housing shortage among the feathered population of Windsor, Ontario, Boy Scouts of that city have undertaken to build 4,000 bird-houses as part of their Conservation Good Turn for 1956.

Scouts in Cornwall, Ontario, are training now in preparation for the planting in May of several thousand trees in a selected area.

Canadian manufacturers shipped \$3,592,000 worth of home permanent wave kits and refills and accessories in 1954 versus \$3,549,000 worth in 1953.



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AUTOMATION - ITS CANADIAN IMPLICATIONS

AN AGE OF PLENTY: "What impresses most Canadians when they consider how their country has developed since the beginning of World War II," Mr. John H. Dickey, Parliamentary Assistant to the Minister of Defence Production, told the Society for Advancement of Management in Montreal on March 23, "is the rapid growth of economic expansion accompanied by a speed-up in the development of our natural resources, growing industrial diversification, and a major extension of our service industries." Referring to the prediction that the gross national product might be between \$45 and \$50 million by 1970, Mr. Dickey added that "an age of plenty seems to lie ahead for Canadians - provided...they make effective use of the opportunities that appear to be open to them." This consideration led him to discuss the effect of automation on the Canadian economy, as follows:

"...An important way in which government can assist industry to harness the benefits of automation is to create a favourable economic climate in which business enterprise thrives, research and the application of new technology is encouraged, and demand for competitively-produced domestic commodities is well maintained. In other words, the Canadian Government can (and in fact has, as the record of the last two decades shows) do a good deal to stimulate, encourage and assist the continued growth of our economy. In saying this I am not unmindful that in a predominantly private

enterprise country like Canada the rate of economic expansion will vary from year to year, and that our economy is affected by economic fluctuations of our big customers because of the large volume of foreign trade which we carry on....

"If Canadians succeed in achieving economic expansion more or less continuously, as a result of far-sighted action by management and labour and sensible policies by governments, then we need not fear technological progress. On the contrary, we should welcome it, because it will make it possible for our nation to achieve a greater output with a lower labour input....

"There will, of course, be adjustments as machines and electronic brains will be doing more of the work of human beings than was the case hitherto. But as the economy grows and with it the demand for more goods and services and for new types of goods and services, additional employment opportunities will open up. The main characteristic of an adequately expanding and well-balanced economy is that there are alternative employment opportunities and adequate social security provisions, so that the man who loses one job can find another and the man who cannot find a job because of age, infirmity or other reasons not under his control, will be able to draw on a broadly-conceived social security programme.

(Continued on P. 2)

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(C.W.B. April 4, 1956)

AUTOMATION - ITS CANADIAN IMPLICATIONS (Continued from P. 1)

"... Basically, technological progress requires both the capacity to create new processes and techniques as well as the ability to operate such new developments. The former depends on the creative genius of our scientists, engineers, chemists, and a host of other professionals, while the latter depends on the enterprise of management and the technical training of the working force.

"Automation has set new standards for scientifically and technically-trained management and for labour skills required. We hear a good deal about the fact that the United States and Canada are short of scientists and engineers. As the use of automation techniques in industry grows, we shall hear more about it.... I have observed that American industry and the U.S. Administration are becoming more aware of the need for increasing facilities and assistance to train an adequate number of scientific and engineering personnel, and I gather a number of constructive proposals are being considered.

TECHNICAL EDUCATION

"Here in Canada...the matter of education is a provincial responsibility. However, to help the provinces in this important job of higher education as well as technical training, the Canadian Government is making substantial contributions. Annual federal payments made to universities and vocational and similar training grants made to the provinces total about \$10 million during the current fiscal year, and \$50 million over the last five years.

"As far as management is concerned, automation will require a greater understanding of social and economic matters in addition to an appreciation of the technical questions involved. There will be greater need for long-term market appraisals, product analysis, executive and personnel training, and all the other policies that are designed to achieve continuing expansion and profits of an enterprise. New Canadian management will have to be developed through university training either in the fields of engineering or in the many other fields of the physical sciences, economics, commerce and sociology, if it is to cope with the growing complexities of long-term forward planning by business. There will also be increasing need for refresher courses for the advancement of management, such as are now given in Canada at the University of Western Ontario and at the Banff School of Business Administration, which, as you know, is sponsored by our four western universities.

"As far as labour is concerned, vocational schools, training and re-training courses in technical institutions and in plants can do a good deal to facilitate the transfer of men from one job to another. This matter of train-

ing and education again is largely a responsibility of provincial governments. But where possible the Canadian Government assists in such programmes through financial grants. In a related sphere, that of increasing the mobility of the Canadian labour force, the Federal Government has been quite active also through the National Employment Service and through the payment of transportation costs to move men from areas where jobs were scarce to localities where openings were plentiful....

"I have so far dealt with the domestic implications of automation. Now what are some of the international implications?

"Many of the new techniques we are now using in Canada have been developed in the United States, the United Kingdom and in other countries. We have developed a number of these processes ourselves, and we are proud of the achievements of Canadians in the fields of science and industry. But we would not have been able to make such rapid technological progress in Canada if we did not have access to the best that scientific genius in the Western countries has been able to create for the betterment of mankind. Hence, in appraising the progress which Canadian science and industry has made, we should remember that we have benefited a good deal from the free exchange of ideas and men among like-minded nations. Having had some help ourselves in getting where we are, we must remember other countries which are less economically advanced than we ourselves.

SHARING PAYS

"Quite apart from humanitarian reasons and basic Christian principles, there are political as well as economic reasons that counsel us, and our friends in the United States as well, to share some of our technical processes and some of the fruits of our age of abundance with other countries whose economies are less developed than our own.

"The political reasons are obvious. The Western nations are presently engaged in a struggle for 'competitive co-existence' with the Communist nations. The economic reasons are also fairly clear. By helping other countries to develop their own economies more rapidly, opportunities for increasing world trade are improved.

"For a good many years now Canadians have demonstrated that they are prepared to share their resources and scientific and technical knowledge with other countries. Canada, as you know, had a very substantial programme of mutual aid in operation during World War II, and after the conclusion of the war substantial gifts and credits were made available to aid in the post-war reconstruction of friendly nations. More recently, Canadians have contributed on a fairly comprehensive scale to the foreign aid and technical assistance programmes sponsored by the United Nations....

LAMPLIGHTING LAMPREYS: The parasitic sea lamprey, which has been killing large numbers of lake trout and whitefish in the Great Lakes, has been found to possess an amazing characteristic. It sets up an electrical field around its head and this, when amplified, has been used to light a flash bulb and trigger the shutter of a camera, thus taking its own photograph. The implications of the phenomenon are still under study.

The new discovery about the lamprey has been made by Dr. H. Kleerekoper, Professor of Zoology at McMaster University in Hamilton, Ontario, whose work has included research into the effect of sonic and ultra-sonic vibrations on fish. Dr. Kleerekoper is currently supervising a research project being carried out at McMaster for the Fisheries Research Board of Canada.

The Research Board is extending its knowledge of the lamprey to find means of stopping the devastation of the stocks of commercially valuable fish. Any new fact may open another avenue toward effective control measures.

It is not known which organs in the lamprey generate the electrical field but it is known that the field is closely synchronized with the breathing movements of the animal. The potentials could be produced by either nerve or muscle functions, or a combination of both. A number of experiments to determine this are in progress, involving the use of different drugs and surgical techniques.

At present it appears that there is no resemblance between the electrical field around the head of the lamprey and the electric potentials produced by the so-called electric eel. There are no electric eels in Canadian fresh water.

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AMBULANCE SERVICE ON HIGHWAY: Civilian enterprise can provide northern British Columbia and the Yukon Territory with almost any modern convenience, but when someone needs an ambulance they call on the Army.

With two modern ambulances stationed in Whitehorse and nine more located at maintenance camps along the 1,220-mile Canadian section of the Northwest Highway System, the Army provides the only ambulance service between Dawson Creek, British Columbia, and the Canada-Alaska border.

Although operated by the Army, the ambulances are readily available to soldier and civilian alike. No sooner has an ambulance been despatched to the scene of an accident than a telephone call is put through to Lieutenant Colonel A.L. Kerr, of Montreal, commanding officer of the Whitehorse Military Hospital.

In the case of a particularly bad accident far from immediate and expert medical care, Colonel Kerr orders a plane sent to the maintenance camp or airfield nearest the scene and the victim speedily is brought to hospital.

NEW MEXICAN ENVOY: On March 22, His Excellency Manuel Maples Arce presented to the Deputy Governor General, the Honourable Mr. Justice Patrick Kerwin, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Mexico to Canada. The ceremony of presentation took place at the Supreme Court Building, Ottawa.

Mr. Maples Arce is a Doctor of Law of the University of Mexico and a former Member of the Supreme Court of the State of Vera Cruz. After serving as Secretary General and later as Acting Governor of the State of Vera Cruz, he was elected to the Legislature of the same State and subsequently to the Chamber of Representatives of Mexico. Since his entry into the Mexican Foreign Service in 1935, he has served at Brussels, Warsaw, Rome, Lisbon, The Hague and Prague, and has also been Ambassador to Panama, Chile, Colombia and Japan.

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MAPLE PRODUCTS: Gross farm value of maple products in 1955 was \$10,882,000, moderately below the preceding year's \$11,038,000 but well above the 1948-52 average of \$9,807,000. Expressed in terms of syrup the year's output of maple products amounted to 2,231,000 gallons, down from 2,422,000 in 1954 and the 1948-52 average of 2,728,000 gallons.

The year's output of maple syrup amounted to 2,146,000 gallons, down from 2,304,000 a year earlier. Farm prices averaged higher at \$4.87 per gallon versus \$4.58 but the gross farm value eased to \$10,441,000 from \$10,513,-000. Maple sugar production dropped to 847,000 pounds from 1,175,000. Farm prices averaged higher at 52 cents per pound versus 45 cents but the gross farm value fell to \$441,000 from \$525,000.

Gross farm value of maple syrup produced in Quebec in 1955 was \$9,393,000 versus \$9,315,-000, Ontario being next with \$972,000 versus \$1,130,000, New Brunswick \$52,000 versus \$51,-000, and Nova Scotia \$24,000 versus \$17,000. Maple sugar production in Quebec in 1955 has a farm value of \$382,000 versus \$488,000, New Brunswick \$46,000 versus \$18,000, Nova Scotia \$7,000 versus \$8,000, and Ontario \$6,000 versus \$11,000.

* * * *

SCOUT MEMBERSHIP: Canada's Boy Scout membership increased by 21,123 in 1955 to reach a record high of 196,409, latest census figures show. At December 31, there were 111,336 Wolf Cubs, 61,649 Boy Scouts, 446 Lone Scouts, 1,333 Sea Scouts, 3,041 Rover Scouts, 167 Rover Sea Scouts, a grand total of boy members of 177,972, plus 18,437 adult leaders.

Supplies of coke available for consumption in Canada in 1955 amounted to 4,325,872 tons, 24 per cent larger than the preceding year's 3,570,538 tons.

YUKON BRIDGE TOUGH JOB: Construction of a new steel and concrete bridge by the Canadian Army at Slims River, Yukon Territory, is progressing well, despite the fact that temperatures of 40 degrees below zero and colder stopped all work for a 10-week period in mid-winter.

Major W.E. Richardson of Ottawa, officer commanding No. 1 Road Maintenance Company, Royal Canadian Engineers, said the bridge will be open for traffic in June, as scheduled. His unit is building the two 200-foot steel spans which will cross the Slims River where the river empties into Kluane Lake.

The bridge site is on the Northwest Highway System, 150 miles south of the Alaska-Canada border and 140 miles north of Whitehorse.

The existing bridge is a timber structure 1,217 feet long; but, since the steel bridge will be only 400 feet long, several hundred feet of causeway will have to be built.

The task started last October and was continued until mid-December, when temperatures dropped to 40 below and stayed there. In addition to extreme cold, troops and civilian employees working on the bridge have had to contend with constant winds sweeping down from the snow-covered peaks of the St. Elias mountains.

Commenting on the terrain and conditions, Captain Coady said the region is "just about the worst spot on the Highway. The wind never stops blowing and when the temperature drops lower than 20 degrees below zero, you just can't get much done."

In spite of their rigorous life, the men of the unit like the north.

Major Richardson, a former member of the Indian and British armies, has tackled a number of engineering problems in India, Europe and Canada. None, he says, has been as cold, difficult or as interesting as his present job.

He and his two project engineers have their problems.

Concrete has to be heated and kept heated until a break in the bitter weather will permit the pouring of bridge abutments. Bulldozers, cranes and other equipment have to be babied to keep them operating in extreme temperatures.

* * *

SALT ASSISTANCE PROGRAMME: The Minister of Fisheries, Mr. Sinclair, has announced that the Government proposes to extend into 1956 the salt assistance programme that was available to Atlantic Coast producers of salted fish in 1955. Under the plan the Government rebates to fishermen and plants producing salted fish products fifty per cent of the cost of their salt, provided the products are not marketed in the United States. Exclusion of the benefit with regard to products marketed in the United States market is to avoid any suggestion of subsidization of exports to that market, Mr. Sinclair said.

FIELD CROP ACREAGES: On the basis of their intentions at March 1, Canadian farmers plan to seed an unprecedented acreage of flaxseed in 1956, the Dominion Bureau of Statistics reports in the second of this year's series of crop reports. Moderate increases in oats and mixed grains are also indicated, while the acreage of winter wheat seeded last fall for harvest in 1956 is also greater than in the previous season. These indicated increases are largely offset by prospective decreases in summer-fallow acreage in the Prairie Provinces and by reduced seedings of spring wheat, barley, spring rye, soybeans and potatoes. In addition, the acreage of rye seeded last fall for harvest this year was also well below the acreage harvested in 1955. Data on intended acreages of a number of other field crops, including corn, buckwheat, dry peas and beans, rapeseed, mustard seed, sunflower seed, tame hay, field roots and sugar beets, are not available.

The largest individual shift indicated in use of Canadian crop land is the increase of 1,800,000 acres in flaxseed in the four western provinces from the already high level of nearly 2,000,000 in 1955. The prospective seedings of flaxseed in 1956 at 3,800,000 are well in excess of the previous record of 3,000,000 seeded in 1943.

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AUTOMATION - ITS CANADIAN IMPLICATIONS

(Continued from P. 2)

"With growing technological advances arising in part out of the increasing application of automation and the accompanying growth in the wealth of our country, foreign capital and technical assistance programmes on an even greater scale may be contemplated by Canadians at some future date. By sharing our growing knowledge of techniques and some of our material achievements with other countries, we are not only helping many nations with which we have bonds of friendship, goodwill and trade, but we are also creating a firmer basis for co-operation and co-existence among like and different-minded nations....

"When we encounter problems of adjustment arising out of a national endeavour to reap the benefits that advancing technology, including automation, brings us, let us remember that most of these can be overcome by patient application, goodwill, and the co-operation of all sectors of our economy. Let us see such problems in their proper perspective, and let us remember that their solution is helping Canadians in facing up to much great challenge. And that is - to replace:

the hunger for power and
the hunger of poverty
with the benefits of peace and
the benefits of progress."



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THE 1956-57 BUDGET

NO SURPRISES: For most Canadians, the new federal Budget brought down on March 20 in the House of Commons contains neither good news nor bad. There is no change in personal and corporation income taxes, and the only tax reductions of any substance take the form of sales tax exemptions at the manufacturers level for about twenty types of goods mainly used in construction, manufacturing and production. None of the exemptions apply to everyday articles, which remain subject to the 10 per cent sales tax. The exemptions will shave about \$12 million from federal tax revenue in a year when the Minister of Finance, Mr. Harris, is budgeting for a surplus of \$113 million. Last year he budgeted for a deficit of \$160 million, and wound up with an actual deficit estimated yesterday at just under \$52 million. Mr. Harris's total estimated revenue for the fiscal year starting on April 1 is more than \$4 3/4 billion.

One new tax announced in the Budget, which will come into effect next January 1, is intended to protect Canadian magazines - a 20 per cent levy on the advertising revenues of Canadian editions of foreign periodicals that publish Canada advertising. This will apply to such magazines as the English and French language editions of Readers Digest and Time, Women's Day, Better Living, Everywoman's, Family Circle and Parents Magazine.

About forty tariff changes, mostly minor, were announced, effective March 21. One major change widens the range of duty-free parts of farm machinery and equipment, and these parts are also freed from the 10 per cent sales tax.

Another Budget announcement removes all restrictions on the sale and export of gold. Mr. Harris said that, effective immediately, Canadians and foreigners could buy and sell gold freely in Canada, and export it without a government permit. However, Canadian mines that elect to sell on this market will no longer be eligible for government subsidies.

Outside Parliament, a news agency report quotes one Ottawa official as saying that this does not herald any intention by the Government to mint gold coins, nor does it mean a move toward going on the gold standard.

One portion of Mr. Harris' speech dealt with the subject of federal-provincial tax relations. Announcing what he indicated was a final federal concession to the provinces, he said the Government would increase the guaranteed floor of its payments to at least 95 per cent of the average of the preceding two years. The previous offer was 90 per cent. It is pointed out that the offer has no significance in money terms at the moment, but could help the provinces in a recession.

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ESKIMO VEST FOR GOVERNOR GENERAL: March 22nd was a proud day for the Payne Bay Eskimos.

While His Excellency the Governor General was at Frobisher Bay, he was presented with a handsomely-tailored dark blue vest with carved ivory buttons and an inter-lining of Arctic eiderdown.

The tailoring, walrus-tusk buttons and eiderdown were all products of Payne Bay on the rocky northwest coast of the great Ungava Bay, where a project in duck-farming was begun by the Department of Northern Affairs in 1954. The presentation was made on behalf of the Department of Northern Affairs and the Eskimos by Northern Service Officer Douglas Wilkinson who is stationed at Frobisher Bay.

To the people of Payne Bay, Frobisher Bay is the nearest sizeable centre of population and the closest that the Governor General will come on his Arctic journey. It lies about 390 miles to the south.

The vest was made in the Payne Bay Sewing Centre by a little group of Eskimo women working under the supervision of Mrs. John Ford, one of the most expert Eskimo needlewomen in the Eastern Arctic.

Skill in the cutting and stitching of clothing is traditional with the women of the far north. Since the Eskimo hunter first roamed the barrens it has been the responsibility of his wife to clothe him for the harsh battle against wind and weather. If her seams prove faulty it may cost him his life. The quality of an Eskimo girl's sewing has always been one of the most important criteria by which a potential wife is appraised.

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CANADIAN CASUALTY CLAIMS: The Canadian Government has submitted claims for damages to the Bulgarian Government in connection with the deaths of the four Canadians, all residents of Montreal, who were among the 58 persons who perished in the crash of the El Al Israel Airlines aircraft which was shot down by Bulgarian air defence forces on July 27, 1955.

The claims have been submitted on behalf of Hiram D. Maydeck, who lost his wife, Mrs. Sara Maydeck, and two daughters, Anne and Yoffe, in the disaster; and on behalf of Mrs. Evelyn and Irving Altman, the widow and son of Max S. Altman, the other Canadian victim.

As the Canadian Government does not have diplomatic representation in Bulgaria, the Canadian claims have been transmitted to the Bulgarian Government through the United Kingdom Legation in Sofia.

Canada ranks second in the world in aluminum production, being exceeded by the United States and followed by Russia. Canadian output in 1954 is placed at 560,880 tons against 1,460,565 tons for the United States and 305,000 for Russia.

NIGERIAN TRADE MISSION: An economic mission led by the Prime Minister of Western Nigeria, the Honourable Chief Obafemi Awolowo, and including the Honourable Chief D.C. Akran, Minister of Development, as well as economic and trade officials, visited Canada from March 24 to 30.

During their visit to Canada the Prime Minister and his party held conversations with federal and provincial government officials, and industrial, trade and financial organizations. In addition to observing Canadian economic conditions, they strove to enlist aid to obtain advice in connection with the agricultural and industrial development of Nigeria. The mission also wished to bring to the attention of the people of Canada the economic aspirations of their country.

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MEMENTO FOR PRINCESS ROYAL: On March 22, Her Royal Highness, The Princess Royal, Colonel-in-Chief of the Royal Canadian Signals, received a souvenir of her recent visit to Canada in the form of an album of photographs depicting highlights of her tour. The presentation was made at St. James's Palace, London, by Lieutenant-Colonel H.D.W. Wethey, a staff officer in the Directorate of Signals at Army Headquarters, Ottawa.

The album contains 60 photos covering Her Royal Highness' visit to various Signals units in Canada last autumn. It is bound in blue morocco leather, with the Signals' badge embossed in gold leaf on the cover. The illuminated title page was drawn by the chief cartographer of Canada, Colonel E.D. Baldock.

The album was compiled by Staff-Sergeant Frank Pratt.

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PRIMATE VISITS BRIGADE IN GERMANY: His Excellency Archbishop Maurice L. Roy of Quebec City, Primate of the Catholic Church in Canada and Bishop Ordinary to the Canadian Armed Forces, recently paid a three-day visit to troops of the 2nd Canadian Infantry Brigade Group in Germany.

Archbishop Roy had just returned from the Vatican, where he had attended the 80th birthday anniversary of Pope Pius XII.

While in Germany, the Quebec Archbishop conferred with all Catholic chaplains of the Brigade and met German officials of the Catholic clergy and members of the press.

At Fort St. Louis, Werl, the Primate celebrated a Low Mass for the Canadian formation's 500 Catholic school children, and met their teachers. During his visit he was accompanied by the Archbishop of Halifax, His Excellency J.G. Berry.

A memorable occasion during Archbishop Roy's tour was a visit to his old unit, with which he served as a chaplain during the Second World War, the 1st Battalion, Le Royal 22e Regiment.

CNR SURPLUS: Operations of the Canadian National Railways for the year 1955 produced a surplus of \$10,717,689 after the payment of fixed charges, according to the annual report of the system tabled recently in the House of Commons.

The surplus represents a dividend of slightly more than 1.3 per cent on the \$815.5 million of non-cumulative 4 per cent preferred stock held by the Government of Canada.

Operating revenues failed to regain the level of 1953, the report states, but they rose \$42.4 million from 1954 - "a development not anticipated in view of the experience of 1954, a year which brought the largest revenue decline in the company's history."

Operating expenses, despite increased labour and material costs and higher pension charges, were held to an increase of only \$2.5 million through improved transportation performance and a reduction in scheduled maintenance, the report points out.

OPERATING FINANCES

Total operating revenues for 1955 were \$683,088,794, an increase of 7 per cent over 1954 but \$13.5 million below the peak reached in 1953. Operating expenses totalled \$629,-013,125, only one-half of 1 per cent higher than in 1954. This resulted in net operating revenue of \$54,075,669. Taxes and rents amounted to \$17,365,033. With other income of \$7,-011,353, there was \$43,721,989 available to meet fixed charges totalling \$33,004,300.

"The financial results of the last two years," the management commented, "illustrate vividly the extent to which earnings in any one year may vary from the long term average under the influence of abrupt changes in the level of traffic, or in prices and wages. Against the background of a breakeven position in 1952 and 1953, Canadian National earnings have varied, in this short period, from a deficiency of \$28.8 million to a surplus of \$10.7 million - a range of nearly \$40 million."

The financial results of any one year should not be taken as "a measure of Canadian National achievement," the report added. This was "as true of the surplus of 1955 as it was of the deficiency of 1954." In both cases, the results had been influenced by decisions of the management regarding expenditures on maintenance, which could be adjusted in some degree to traffic levels and earnings on a short-run basis. But over the long run, maintenance outlays had to average out at a level which would avoid accumulation of arrears and still meet prospective requirements for heavier volumes of traffic and faster train operation.

The report re-stated the management's belief in the CNR's ability to pay its way on the average of good years and bad but warned that this depended on a "reasonable relationship" between wages and material prices on the

one hand and rates charged to the public on the other.

"Clearly," the management added, "there are circumstances in which this premise can be violated, bearing in mind particularly that payroll costs account for an unusually high proportion (nearly 60 per cent) of total operating expenses, and that the ability to raise rates is conditioned by, among other things, the forces of competition."

Even apart from any changes in wages or material prices, the railway foresaw a "difficult period" of adjusting its facilities and traditional freight-rate structure to the realities of a "strongly competitive" transportation market.

Freight revenue which accounted for four-fifths of total operating revenues, amounted to \$539.0 million - an increase of \$36.2 million or 7 per cent more than in 1954. Revenue freight carried over the system totalled 87.6 million tons, 10 per cent more than in 1954, but the average haul per ton dropped from 414 to 407 miles. The increase in terms of ton miles came to 9 per cent. Average revenue for moving one ton of freight one mile amounted to 1.511 cents, compared to 1.529 cents the previous year, reflecting the concentration of traffic gains in low-rated bulk commodities

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ARMY CADETS TO SHOOT AT BISLEY: Twelve teen-age sharpshooters of the Royal Canadian Army Cadets, selected from corps across the country, have been chosen to represent Canada in rifle matches open to competitors from all parts of the Commonwealth to be held at Bisley, England, this summer.

During their stay in England, the cadets will tour many points of interest, and arrangements are being made for them to visit the 2nd Canadian Infantry Brigade Group in Germany.

Commandant of the team will be Major Donald MacRae, of Montreal, President of the Province of Quebec Rifle Association and a former Commandant of the Senior Canadian Bisley Rifle Team.

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DOMINICAN ENVOY INSTALLED: On March 16, His Excellency Mr. Hans Cohn Lyon presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of the Dominican Republic to Canada. Mr. Cohn Lyon, a graduate of the University of Santo Domingo, has been in the public service of his country since 1935. His first diplomatic appointment was to the Dominican Embassy in Washington, where he served from 1946 to 1952. He was subsequently appointed Under-Secretary for Foreign Affairs and Worship (1952-53) and later Vice-President at the Dominican Sugar Commission. Before his appointment to Canada, Mr. Cohn Lyon was Minister at the Embassy of the Dominican Republic in London.

GROSS PRODUCT IN 1955: Canada's gross national product reached record heights in 1955, when there was a sharp recovery from the mild contraction in economic activity which had characterized the period mid-1953 to mid-1954. Output of goods and services, which was beginning to rise in the latter part of 1954, expanded rapidly during the year 1955. The up-swing lifted the gross national product to \$26.6 billion in 1955, compared with \$24.1 billion in the previous year.

With final product prices relatively stable, this increase reflected almost entirely an expansion in the volume of production, which showed the largest gain of any single post-war year. In 1954 the volume of output declined by 3 per cent while some increases in the labour force and productive capacity were taking place. These developments made possible the very sharp increase in the volume of output in 1955. The increase over the year 1953, which was the previous peak year in terms of volume of production, is estimated to be of the order of 6 per cent. By the end of 1955, gross national product, seasonally adjusted, was running at a rate 11 per cent above the peak third quarter of 1953, in value terms.

CONTRIBUTORY FACTORS

Several important expansionary factors contributed to the \$2.5 billion growth in output over the course of the year 1955. Personal expenditure on consumer goods and services led the advance in final purchases with a gain of \$1.0 billion. All segments of consumer outlays showed increases, with a major advance recorded in the durable goods group. Accompanying this advance in the consumer sector, residential construction outlays showed a sharp rise in 1955 of \$0.3 billion or about 25 per cent. This increase reflected the rise in personal incomes and the ready availability of mortgage funds. Consumer outlays and housing expenditures together accounted for more than one-half of the increase in gross national expenditure.

Exports of goods and services, which declined in 1954, recovered strongly in 1955, rising by \$0.6 billion or by 11 per cent. This strength in foreign demand for Canadian goods and services was associated with marked recovery of business activity in the United States and the rising level of activity in overseas countries. The bulk of the gain in exports was concentrated in wood and wood products, iron and its products, and non-ferrous metals, with declines occurring in the agricultural products groups.

In the investment sector, business outlays for plant, machinery and equipment absorbed \$0.3 billion of the \$2.5 billion increase in total output in 1955. In response to a sharp rise in profits and the growing pressure of demand on existing capital facilities, business investment outlays began to rise during the year and were moving upward strongly at year end. Imports of machinery and equipment

items were especially heavy in the last half of the year.

Additional expansionary factors in 1955 were government expenditures for goods and services, which rose by \$0.3 billion, with gains occurring at all three major levels; the larger grain crop, which contributed about \$0.3 billion to the gain in total gross national product, and the swing in business inventories from liquidation in 1954 to net accumulation in 1955, amounting to \$0.4 billion. Under these various stimuli, Canadian production rose at an uninterrupted pace throughout 1955, although a considerable part of both final and inventory demand was channelled into imports which rose by more than \$0.7 billion over the year 1954.

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ST. LAURENT SISTER-SHIP: The launching of the tenth destroyer escort in the Navy's current 14-ship programme - HMCS Margaree - will take place March 29 at Halifax Shipyards Limited, Halifax.

The Margaree will be the second destroyer escort launched at Halifax Shipyards. The first, the Saguenay, was launched at Halifax in August, 1953. She is nearing completion and is scheduled to be commissioned late this year.

The first ship of the class, HMCS St. Laurent, is now in service, having been commissioned last October 29 at Canadian Vickers Limited, Montreal. The St. Laurent is currently carrying out trials at Key West, Florida.

Like the other ships of her class, the Margaree is of all-Canadian design and construction. She and her sister-destroyer escorts have been designed to meet the threat of the fast modern submarine and are considered to be the most advanced ships of their type in the world.

The Margaree is the second Canadian warship to bear the name. The first Margaree was sunk October 22, 1940, in a collision with a merchant ship after only a month-and-one-half in Canadian service.

The Margaree is named after the Margaree River, a famed salmon stream on Cape Breton Island. Originally the name of the river was Marguerite which, like Margaret, is of Greek origin, meaning "pearl, child of light." Marguerite is also the name of the ox-eye daisy and this daisy is found on the ship's new badge.

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SWEDISH EMBASSY FOR OTTAWA: The Department of External Affairs announced on March 16 that the Governments of Sweden and Canada had agreed to raise the status of their respective diplomatic missions to that of Embassy.

Sweden will shortly be represented in Canada by a newly appointed Ambassador, Mr. Oscar U.K. Thorsing. The present Canadian Minister to Sweden, Mr. Jean Chapdelaine, will be Canada's first Ambassador to that country.

ECONOMIC EFFECTS OF THE SEAWAY: Mr. Lionel Chevrier, former federal Minister of Transport, addressing the members of the Women's Canadian Club of London, Ontario, on March 16, on the St. Lawrence Seaway, first outlined the history of the project, its physical aspects in various sections and progress on the work to date, and then spoke as follows about the effect of the Seaway on Canada's economy:

"...It must not be supposed that the Seaway will have the effect of drying up the flow of traffic on the existing land routes by rail or highway. The forms of transport, are numerous and the variety can be increased by combining their use in different ways such as hauling highway trailers on flat cars and hauling both highway trailers and railway cars on vessels. As the amount of traffic to be handled grows with the growth of our population and industries there is a greater degree of specialization possible.

"Before the railways, water transport was the most widely used medium of transport on this continent - and as such it was used equally for all classes of goods from heavy bulk commodities, such as coal to small packages of general merchandise. The railways very quickly changed that by relegating water transport to certain bulk traffic movements as ore, grain and coal on the Great Lakes, and a comparatively small share of the general merchandise traffic. Through the force of competition from the railways water transport became concentrated in specialized bulk carriers.

SPECIALIZED ADVANTAGES

"How will the Seaway affect this situation? In the first place, let it be said, that the Seaway will be of major importance for the carriage of bulk traffic. It will provide a through highway for grain from the lakehead to Montreal, and for iron ore from Seven Islands to the steel mills in the Great Lakes area. The volume of traffic in these two commodities, together with other bulk traffic such as coal, pulpwood, petroleum products will comprise as much as three-quarters of the total tonnage moving through the Seaway. In other words, the Seaway will give free play to the specialized advantages of water transport.

"On general merchandise traffic the outcome is much less easy to foretell. I believe, though, that here too a specialized traffic pattern will emerge. The most obvious class of general cargo that will move through the Seaway would be that of exports to and imports from Europe and other continents, where through movements may be possible at lower rates than through transfer at ocean ports. But here we may see a variety of new services springing up, including co-ordination of different types of carriers and improvement in existing services. Benefits thus will be extended far beyond the immediate port areas...."

PRINCESS REGIMENT SHARE WITH SAINT: The 17th of March possessed triple significance this year over the little German town of Hemer and the Canadian city of Calgary, for sharing the limelight of St. Patrick were a Royal Princess and a regiment of Canadian soldiers.

March 17th, traditionally celebrated by "wearin' of the green", is also the birthday of Princess Patricia of Connaught, the Colonel-in-Chief of Princess Patricia's Canadian Light Infantry, and the birthday of the unit itself.

The Patricias, now 42 years old, were formed a few days after the outbreak of the Great War in 1914, at the proposal of Brigadier A. Hamilton Galt, of Montreal and Ottawa.

The regiment took its name from the daughter of the then Governor-General of Canada, the Duke of Connaught. Her Royal Highness, Princess Patricia, now Lady Patricia Ramsay, presented the PPCLI with its first Regimental Colour, which she had created and sewn herself.

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EXPORT INSURANCE REPORT: A highly successful year's operations by the Export Credits Insurance Corporation was demonstrated in the Corporation's Annual Report, tabled on March 19 in the House of Commons by Mr. C.D. Howe, Minister of Trade and Commerce. The report of this Crown Company showed its increasing importance in the service and support of Canadian exporters.

The annual report reveals that, over the ten years from the commencement of operations in 1945 to December 31, 1955, the Corporation has insured \$321,216,793 worth of Canadian exports and paid out claims to Canadian exporters of \$6,256,644. One of the more remarkable achievements over this period is the fact that the Corporation provided its services at almost precisely breakeven premium rates. Total premiums charged amounted to \$3,032,446, while administrative expenses were only \$932,127, and the net claim payments, after recoveries stand at \$1,981,435, giving total operating expenses of \$2,913,562, and a net surplus result from the full period of operations of merely \$118,884. Only the interest on invested capital has permitted the accumulation of the underwriting reserve, which now stands at \$2,819,326.

The year 1955 showed an increase in the volume of business insured of about 33 per cent to a total of \$48,453,938. The bulk of the increase was accounted for by a rise of 40 per cent in the insurance of general commodities sold on short-credit terms. The increase in the insured total of capital goods sold on medium-term credit was 19 per cent. The corporation recognizes that competition abroad and requirements of foreign buyers make credit terms an important factor in negotiating sales of capital equipment, and export credits insurance is made available to help Canadian exporters of heavy equipment compete under these market conditions.

U.S.-CANADA JOINT QUAIL PROGRAMME: To facilitate the spread of Bob-White quail in Ontario, the Department of Lands and Forests is co-operating with the Conservation Department of New York State. They are carrying out a project to live-trap and propagate experimentally, for release in this province, a few birds from areas where the population is high.

At present, in southern Ontario, the covey size often is in excess of 25 birds and in some areas the population, it is believed, may well be at the saturation point.

The strain now existing in Ontario is probably as close to the original hardy strain as it is possible to get, since it is made up of the survivors of the population crash of 1944-45. In that hard winter these birds almost disappeared.

Quail were not abundant when the land was heavily forested. But, as the land was cleared for farms, the birds increased, either from a small nucleus stock or by immigration. About 100 years ago, the northern limit of their range extended to a line from Muskoka eastward to Kingston, curving to just south of Peterborough, and westward through the lower part of the Bruce Peninsula.

* * * *

BRIGADE CUTS TRAFFIC FATALITIES: In West Germany, where the road accident rate is one of the highest in the world, the 2nd Canadian Infantry Brigade isn't taking any chances when it comes to highway safety.

Even civilian vehicles owned by members of the formation must pass rigid mechanical inspection before registration and licensing. More than 400 foreign and domestic privately-owned cars have been checked by men of the Royal Canadian Electrical and Mechanical Engineers, since the Brigade rotation last November. A certificate of road-worthiness must accompany each application for a British Zone driver's license and official registration.

The cars checked and road-tested by the versatile RCEME inspectors range through dozens of types from the Volkswagen and the tiny two-seater Messerschmitt up to Lincolns and Mercedes Benz models.

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CANADIAN ENVOY AT MIRZA INAUGURATION: His Excellency the Honourable Mr. Justice T.C. Davis, Q.C., Canadian Ambassador to Japan, was Special Envoy of Canada at the proclamation of the Islamic Republic of Pakistan and the inauguration of the first President, Major-General Iskander Mirza in Karachi on March 23.

Canada's Governor-General Vincent Massey, sent a message of greetings to the President-elect. The Prime Minister, Mr. L.S. St. Laurent, sent his best wishes to the Prime Minister of Pakistan, Chaudhri Mohamad Ali.

TRAVEL EXPENDITURES BY VISITORS: Expenditures in Canada by travellers from the United States and other countries and travel expenditures by residents of Canada in other countries reached all-time peaks in 1955.

First estimates indicate that visitors from all countries spent \$329,000,000 in Canada in 1955, up from \$303,000,000 in the preceding year, while Canadian travellers spent \$441,-000,000 in other countries, up from \$387,000,-000.

Estimated expenditures in Canada of visitors from the United States reached a new peak total of \$304,000,000 versus \$281,000,000 a year earlier, while Canadian travel expenditures in the United States climbed to a new high of \$361,000,000 versus \$318,000,000. The resulting debit balance (fourth in succession) was \$57,000,000 versus \$37,000,000 in 1954.

Travel expenditures in Canada of visitors from overseas countries rose in 1955 to a new high total of \$25,000,000 from \$22,000,000 in the preceding year, while expenditures of Canadians in overseas countries on travel jumped to a new high of \$80,000,000 versus \$69,000,-000 in 1954. The resulting debit balance on travel account in 1955 was \$55,000,000 versus \$47,000,000 in 1954.

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RUBBER PRODUCTION RISES: Consumption of rubber - natural, synthetic and reclaim - rose in January to 8,667 tons from 8,295 in the preceding month, while month-end stocks increased to 15,587 tons from 12,175. Production of synthetic and reclaim rubber advanced to 10,136 tons from 9,044.

Consumption of natural rubber in January amounted to 3,292 tons (3,693 in December); synthetic, 4,037 (3,350); and reclaim, 1,338 (1,252). End-of-January stocks comprised 5,624 tons of natural (4,375); 8,238 tons of synthetic (6,231); and 1,725 tons of reclaim (1,-569). Production of synthetic rubber amounted to 9,736 tons (8,658 in December) and output of reclaim totalled 400 tons (386).

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LUMBER PRODUCTION HIGHER: Canadian production of sawn lumber was substantially larger in 1955 than in the preceding year with all provinces except Saskatchewan sharing in the rise, the Dominion Bureau of Statistics reported recently. Production rose to 4,840,-516,000 board feet in British Columbia from 4,515,652,000 in 1954 and to 3,075,604,000 board feet in the rest of Canada from 2,800,-415,000.

Production totals for the provinces east of the Rockies in 1955 were as follows (in thousands): Prince Edward Island, 8,882 board feet (7,862 in 1954); Nova Scotia, 385,242 (300,-012); New Brunswick, 279,199 (248,963); Quebec, 1,054,475 (1,009,383); Ontario, 764,384 (734,641); Manitoba, 48,770 (43,688); Saskatchewan, 88,117 (96,310); and Alberta, 446,535 (359,556).



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SOVIET UNION IN A NEW ROLE

POLITICAL USE OF TECHNICAL AID: Addressing the Toronto Branch of the Canadian Red Cross Society on March 12, the Secretary of State for External Affairs, Mr. Pearson, called attention to "the entry, with vigour and verbosity, of the Soviet leaders into the field of economic competitive co-existence..." Mr. Pearson observed that appearance of the U.S.-S.R. in this guise "reflects a change of Soviet tactics, if not of policy, which is seen also in other fields." "There is more emphasis now on 'pulling' rather than on 'pushing' other peoples into the Communist orbit," the speaker went on. In the light of these developments, he called for a reappraisal of "our own policies and attitudes - especially to those countries of Asia to which the Soviet Union is now directing its attention."

Mr. Pearson then proceeded to make such an appraisal, as follows:

"Active Soviet interest in the field of foreign aid and technical assistance is comparatively new. Before 1953, Russia's foreign aid was confined to Communist countries, especially China, which had received considerable help in loans and technical assistance. Until 1953, the Soviet Union was too preoccupied with its own domestic development and its militant designs against Western Europe to use technical and economic assistance to Asia as an important instrument of policy. However, toward the end of that year there was a change, and since then Soviet Union offers of help to

non-Communist underdeveloped areas in Asia and elsewhere have increased very rapidly. This Soviet economic-political intervention in international affairs has important implications for us in the Western world.

"We will not understand this development unless we realize the significance of the emergence since the end of the last war to complete political independence of a group of densely populated former colonies in Asia and Southeast Asia. As a consequence of their new political and international status, those countries have come to realize as never before the great gulf which separates their economies and their standard of living from those of the more technically advanced nations in the Western world. Their leaders, in a new spirit of national pride and confidence, have turned with dedication and determination to the vast problems of eradicating starvation, disease and ignorance which for so long had been the accepted lot of their fellow-countrymen. It is accepted no longer.

"To solve these problems, they needed guidance and help in a wide variety of technical and scientific matters, as well as capital assistance. They could not secure these completely from their own resources. The normal methods of acquiring sufficient capital were not open to them, since the savings from one year to another were either slight or neg-

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SOVIET UNION IN A NEW ROLE

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ligible; and, in view of the rapidly rising populations, to withdraw resources from consumption would have imposed severe hardship on standards of living already extremely depressed. So Canada, together with other member states of the United Nations, has tried to help by providing capital and technical assistance and in other ways. This effort has been strongly supported by most of the nations of the world, with the noteworthy exceptions, until just a little while ago, of the countries of the Soviet bloc. These latter took little interest in the activities of United Nations social, economic and humanitarian agencies in this field, contributed little or nothing to their support, and criticized and depreciated their work. Support for them was left to the free nations of the world. In addition, of course, Canada, together with other members of the Commonwealth, financed the Colombo Plan in which many important countries outside the Commonwealth, notably the United States, now also participate. There were also other arrangements for economic assistance.

ENTER U.S.S.R.

"It has been upon this stage of international co-operative effort that the Soviet Union and its satellites have somewhat unexpectedly appeared, and have begun to play a role which, while more effective as yet in the field of political propaganda than actual aid, has, nevertheless, important potentialities for good or evil. These Communist newcomers possess very great resources and their achievements and capabilities in technical matters and in the sciences are far greater than many of us realize, or wish to realize. I wish that we could wholeheartedly welcome this new source of contribution to the world Community Chest. The task that remains to be done is enormous and it needs the mobilization of the world's entire resources. We would, however, be happier about accepting the Soviet Union as a new convert to the practice of co-operating with the rest of the international community in foreign aid and technical assistance, if we could be assured that the Communist empire would be willing to abide by the rules which are generally accepted by those countries which have been trying to do their share in this field for some time.

"Although a late starter in the field, and whatever its motives may be, the Soviet Union seems to be trying to make up for lost time. Already they have made important economic deals with Egypt, India, Syria, Indonesia, Afghanistan, Burma, the Sudan and Yemen....

"The fact is that in entering into this phase of competitive co-existence, the Soviet Union has some important immediate advantages in its favour.

"Its leaders control vast resources, both human and material, which they can use for political or other purposes without any Parliamentary or popular restraint whatsoever. Their worries about public opinion are minimal. If political advantage is indicated, they could export, and in the past they have exported, food and other materials even if their own people were in short supply. They can, and do, in negotiating trade or commercial arrangements, make loans on easy terms without regard to economic considerations, and they have provided capital goods at less than cost price. They are also prepared to accept commodities from their customers abroad, even though these commodities are of no great importance to them. Whatever commercial losses the Soviet bloc countries may incur in such deals are considered to be more than counterbalanced by any immediate or long-range political advantage. The Soviet Union can also accept and use many of the surplus raw materials which the underdeveloped countries are anxious to sell - for example, rice, cotton, sugar and beef - while in the West, we have our own serious surplus problems. The Soviet bloc is, in fact, entering into the field of competitive co-existence in economic matters with many points in their favour and at a time very favourable to them.

EXPERT SUPPLY

"The Soviet leaders also have no difficulty in organizing and conducting programmes of technical assistance. Although the Western countries, including Canada, have sent to many countries of the world experts in a wide variety of technical matters, this part of our technical assistance programme has not been easy. It has been hard to secure qualified men. Much has been heard lately in the United States and Canada about our increasing lack of technical experts, and for the need to increase very considerably the number of technical and scientific graduates from our universities. In general, both for the Colombo Plan and for the various schemes of technical assistance directed by the United Nations, we have probably not been able to supply more than half the requests sent in for expert advice, or for students to receive technical training in the West. We operate in this as in other fields on a voluntary basis. This involves certain difficulties which the Soviet leaders do not have. Their technical or engineering experts are simply directed to go where ordered, and to stay there until told to come home.

"It is, therefore, much easier for them than it is for us to make offers which sound very generous, not only to send their technicians abroad, but also to train technicians from those countries in Russia. The technical training of these trainees will be thorough. So will the Communist indoctrination to which they will be exposed and which may be the main

CANADIAN EMBASSY HONOURS FRENCH FLYER: An airman of the French Air Force has been awarded the British Empire Medal here for his outstanding act of bravery in attempting to save the life of an RCAF pilot who was killed at Rabat, French Morocco, RCAF Air Division officials reported recently.

At an official ceremony held in the Canadian Embassy, Airman 1st Class Henri Thopart, of Mazingarde, Pas-de-Calais, was awarded the BEM by Mr. Jean Désy, Canadian Ambassador to France, on behalf of Her Majesty the Queen.

Airman Thopart's citation reads: "At Rabat Sale in North Africa 12 September, 1954, Flying Officer J.H. Volfing of the RCAF, flying a Sabre-jet crashed immediately after take-off. During rescue operations by the French Air Force, outstanding gallantry was displayed by Airman 1st Class Henri Thopart. This airman dressed in an asbestos fire suit walked into the flaming wreckage and retrieved Flying Officer Volfing who unfortunately was dead, apparently having been killed in the crash. His act would have saved this officer's life had he not been killed in the initial impact. The aircraft was armed and the heat caused the ammunition to explode, but despite this added hazard Airman Thopart carried out his task to completion. In addition there was the ever present danger of a major explosion in the fuel tanks. Although this airman was not successful in saving the life of the pilot he nevertheless displayed bravery in the highest order. The gallantry is not only indicative of the extent of the co-operation received from the French Nation but also of the length to which our allies will go to assist us in every possible manner."

A native of Denmark, Flying Officer Volfing was a member of 416 (Lynx) Squadron based at No. 2 Fighter Wing, Grostenquin, France. At the time of the accident Flying Officer Volfing was with his squadron at Rabat for aerial gunnery training at the French Air Force air firing range.

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SUB-CHASER TO VISIT WASHINGTON: Considered the most advanced anti-submarine vessel afloat, the Royal Canadian Navy's new destroyer escort, HMCS St. Laurent, will pay an operational visit to Washington, D.C., from April 16 to April 18. She now is undergoing evaluation trials out of Key West, Florida.

The St. Laurent has an overall length of 366 feet, a beam of 42 feet and displacement of 2,600 tons. She is equipped with advanced electronic gear and anti-submarine weapons which include mortar mountings and homing torpedoes. Her superstructure is made largely of aluminum, to reduce top weight.

Factory shipments of lipstick and refills were valued at \$1,625,000 in 1954, down from \$1,696,000 in 1953.

GENERAL GRUENTHER IN OTTAWA: General Alfred M. Gruenther, Supreme Commander Allied Powers Europe, visited Canada on March 13 and 14 as guest of the Government. During his brief stay, General Gruenther addressed Canadian Club luncheons in both Ottawa and Montreal.

General Gruenther arrived from Paris at the RCAF Station, Uplands, where he was met by Defence Minister Ralph Campney, General Charles Foulkes, Chairman Chiefs of Staff, and the Chiefs of Staff and Ambassadors of NATO countries resident in Ottawa. There he inspected a 50-man, tri-service guard of honour commanded by Captain Norman D. Sayer, The Royal Canadian Regiment, of Ottawa. Later he called on Prime Minister St. Laurent, before addressing a Canadian Club luncheon.

The same day General Gruenther held a press conference at the Parliamentary Press Gallery, after which he called on the Minister of National Defence, Mr. Campney, and External Affairs Minister Pearson.

On Wednesday March 14, General Gruenther addressed a closed meeting of Members of the Senate and Parliament, before flying to Montreal, where he spoke to a Canadian Club luncheon.

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IMPORTANT SEAWAY CONTRACT AWARDED: The Honourable Lionel Chevrier, President of The St. Lawrence Seaway Authority, recently announced the award of the Seaway's most important contract from the point of view of navigation.

The importance of this contract stems from the fact that it provides the entrance to the Seaway from the Montreal Harbour, and for a turning basin for vessels wishing to manoeuvre freely in and out of the Seaway canal. When completed this contract will result in the junction between Montreal Harbour and the Seaway Canal, and between the St. Lawrence Ship Channel and the Seaway Canal. The turning basin will enable Great Lakes carriers, after their unloading and trans-shipment, to turn about and head back to the Great Lakes ports.

The contractor is to commence actual dredging within 10 days of the opening of the 1956 navigation season on April 16, 1956, and all work of this contract must be completed by August 31, 1958.

The amount of overburden to be dredged under this contract is some 3,200,000 cubic yards and the amount of solid rock is some 100,000 yards. Rehandling and shore disposal of material and towing material to a location on the north shore of the harbour area amounts in all to some 3,000,000 cubic yards.

Award of this contract brings to some \$72,-000,000 the value of contracts awarded by the St. Lawrence Seaway Authority to date. It is the fifth dredging contract awarded by the Authority, the others being three in Lake St. Francis and one in Lake St. Louis. Value of the five contracts is some \$25,000,000.

HOURS OF WORK: Following the pattern established in former years there was a marked decline in the average hours worked in the week of January 1 by wage-earners in manufacturing. The decline in hours was accompanied by a rise in average hourly earnings and a decline in average weekly wages. Average hours worked declined to 39.1 from 41.6 a month earlier. Average hourly earnings advanced to 147.4 cents from 146.1 cents but average weekly wages fell to \$57.63 from \$60.78.

Hourly earnings averaged one-tenth of a cent lower in durable goods than at December 1 and 2.5 cents higher in non-durable goods. The small reduction in the heavy industries was partly due to lessened overtime work in the holiday period, and partly to reduced activity in automotive plants and shipyards. The increase in average hourly earnings in the non-durable group resulted largely from changes in the industrial distribution of wage-earners, due to seasonal curtailment in some branches of food processing.

There was little change since December 1 in the average hourly earnings in mining. The work week was 2.2 hours shorter and weekly wages fell by \$3.68. Overtime rates paid for work done on the year-end holidays were largely responsible for higher earnings in the electric and motor transportation group. There were substantial seasonal declines in numbers of wage-earners reported in branches of the construction industry. Observance of the holidays and adverse weather conditions in parts of the country continued to produce a substantially lower average work week than a month earlier. Lay-offs of large numbers of unskilled workers resulted in a rise in average hourly earnings in construction.

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GRANT FOR TORONTO MENTAL HOSPITAL: St. Michael's Hospital, Toronto, will benefit from a federal health grant to Ontario of \$18,455, Mr. Martin, federal Health Minister, announced recently.

The purpose of the grant is to help provide psychiatric in-patient and out-patient services in St. Michael's Hospital, thereby improving psychiatric services for Toronto and district.

Commenting on the new grant, Mr. Martin said that mental illness is among today's major challenges to medicine and public health. Even allowing for the great increase in population since the end of the last war, he said, it is disturbing to note that the number of people admitted to mental hospitals in Canada in 1954 was two and one-half times the number admitted in 1944.

He said psychiatric units of this type increase the opportunity of making medical attention available for psychiatric illnesses in their early stages and often help patients to avoid long-term hospitalization in a mental institution.

SECURITY PRICE INDEXES UP: The recovery movement in common stock prices, interrupted in the opening month of 1956, continued in February.

The investors' composite index, on the 1935-39 base, advanced from 245.6 for January 26 to 252.4 by February 23, supported by strength in all three major groups. Over the same period 76 industrials changed from 253.6 to 261.8, 7 banks from 261.1 to 266.8, and 13 utilities from 204.2 to 205.1.

Sub-groups presented a mixed appearance as eight of the 12 advanced, led by increases of 6.5 per cent and 5.8 per cent, respectively, for oils and building materials. Of the four groups which worked lower, losses were greater for textiles and clothing, off 3.6 per cent, and for milling, down 2.5 per cent.

Mining stocks continued to strengthen as the composite index for 27 issues moved up 2.4 per cent from 123.9 to 126.9 between January 26 and February 23. The index for 5 base metals advanced 2.1 per cent from 234.1 to 241.3; while 22 golds changed 1.5 per cent from 75.8 to 76.9.

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MOTOR VEHICLES PRODUCTION: Production of motor vehicles dropped 11.5 per cent in February to 29,271 units from 33,083 in the corresponding month last year. This followed a small rise in January to 29,626 units from 28,924.

Production of passenger cars fell in February to 23,375 units from 29,693 a year earlier and the January-February output declined to 48,353 units from 55,213. Commercial vehicle output rose to 5,896 units in February from 3,390 a year ago, bringing the two-month total to 10,544 units versus 6,794.

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FARM WAGES UP: Farm wages averaged higher at mid-January this year than last. With board provided, average annual wages worked out at \$1,120 versus \$1,015 and without board at \$1,440 versus \$1,395.

With board provided annual wages for Eastern Canada averaged \$1,085 versus \$980 and without board at \$1,380 versus \$1,385. The Western-Canada average with board stood at \$1,065 and without board at \$1,515 versus \$1,405.

With board the monthly all-Canada average was \$86 versus \$85 a year earlier; without board it was \$123 versus \$119. The daily rate with board stood at \$4.80 versus \$4.60 and without board at \$6.10 versus \$5.80. Hourly rates with board provided averaged 65 cents versus 61 cents and without board 80 cents versus 76 cents.

Canadian manufacturers shipped streptomycin preparations to the value of \$104,000 in 1954, down from \$128,000 in 1953.

NEW APPOINTEE TO UN RADIATION BODY: Dr. E.A. Watkinson, Chief Occupational Health Division, Department of National Health and Welfare, has been appointed Canadian Representative on the United Nations Scientific Committee on Atomic Radiation, which began its discussions on March 14. Dr. Watkinson replaces the late Dr. A.J. Cipriani of the Atomic Energy of Canada Limited. Dr. R. Appleyard of the Biology Division of the Chalk River Project, Atomic Energy of Canada Limited, is Canadian consultant during the discussions.

The Scientific Committee on Atomic Radiation was established on December 3, 1955, by a resolution of the General Assembly which was approved unanimously. The resolution provided for the establishment of a Scientific Committee composed of scientists representing fifteen governments including Canada. Under its terms of reference the Committee will receive and assemble radiological information furnished by states members of the United Nations or of its Specialized Agencies on levels of radiation and on scientific observations and experiments concerning the effects of ionizing radiation upon man and his environment. Yearly progress reports will be made by the Committee which is also called upon to develop by July 1, 1958, or earlier, if this is warranted, a summary of the various reports received.

Dr. Watkinson has been responsible for the development of the Radiation Services of the Department of National Health and Welfare in collaboration with the Atomic Energy Control Board and Atomic Energy of Canada Limited. More recently, he headed the group concerned with the Canadian programme for the study of the possible effects of increasing radiation.

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EDINBURGH WELCOMES CANADA'S STRATFORD: The Stratford Festival Company's appearance at Edinburgh this season will be for a ten-day period from August 28 to September 8, it was announced recently by A.M. Bell, president of the Stratford Festival Foundation of Canada.

A cable from Robert Ponsonby, artistic administrator of the Edinburgh International Festival read: "Now that arrangements are completed for your company's visit, we must express our pride and delight at the chance of welcoming Canada to Edinburgh as the first Commonwealth country to be represented here. We have no doubt that your performance will prove a major highlight of our tenth Festival."

The Canadian company will present two plays at Edinburgh: Michael Langhan's production of "Henry V" which will be played at Stratford earlier in the summer; and Tyrone Guthrie's production of Sophocles' "Oedipus Rex" in the W.B. Yeats' version. In "Henry V", French-speaking Canadian actors from Quebec province will play the Court of King Charles VI of France.

VICEREAL VISIT TO HIGH ARCTIC: On the 20th March, the Governor-General, the Right Honourable Vincent Massey, left Ottawa for a seventeen day, 10,000-mile tour of Canada's High Arctic, which will take him over both the North Geographical Pole and North Magnetic Pole and right across Canada's far north.

The Governor-General's standard will fly in places as widely scattered as Frobisher on Baffin Island in the East and Whitehorse some 2,000 miles across the roof of Canada to the West and as far north as Resolute, 550 miles north of the Arctic Circle.

During his tour, the Governor-General will see many of the colourful aspects of life in the Arctic. He is visiting Eskimos in their igloos; riding by dog sled, eating cariboo meat and other Arctic specialties; watching an Eskimo drum dance in a large snow-house; having a 'mug-up' (strong black tea and bannocks) with an Eskimo reindeer herder and fishing Arctic char through the ice.

The chief purpose of His Excellency's tour is to meet Canadians in the isolated communities of the Arctic - Indians and Eskimos, personnel of the armed forces, fur traders, government officials, members of the Royal Canadian Mounted Police, missionaries, construction workers and settlers. The tour also gives the Governor-General a chance to see certain aspects of the continental defence system and to talk to Canadian and American servicemen stationed in the Canadian Arctic.

This is the first time the Queen's representative has visited the High Arctic and the first time a Governor-General has flown over the North Pole. It will probably be in the region of the Pole that he will pass the 100,000 mile mark of travel since he took office in 1952 - the total on the 1st of March being 94,773 miles.

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RESCUE CONFERENCE REPRESENTATIVE: Captain James Cuthbert of Victoria, British Columbia, will represent the Department of Transport at an international conference on air-sea rescue to be held in Honolulu April 4-6, it was announced in Ottawa recently.

Captain Cuthbert has commanded Canadian government ships on Weather Station "P" in the Pacific since joining the Department six years ago, his most recent command being C.G.S. "Stonetown". Recently he has been stationed in Ottawa as Special Projects Officer for the Department of Transport on planning for the Distant Early Warning Line, having spent three and a half months last summer as observer with the U.S. task force supplying the DEW Line in the Western Arctic.

As skipper on weather station ships in the Pacific Ocean, Captain Cuthbert has had considerable experience in the operation of air-sea rescue work in that area. Department of Transport facilities are used extensively in air-sea rescue activities on both coasts.

SOVIET UNION IN A NEW ROLE

(Continued from P. 2)

reason for inviting them. There will never be any difficulty in finding room for them in Soviet institutions.

"Another important advantage which the Soviet leaders enjoy is the undoubted anti-colonial feeling which still prevails and will prevail for a long time in many of the important countries of Asia. The Russians, ignoring that they are at the present time themselves the world's greatest colonial power, claim constantly and insistently that all of the ills of the former colonial possessions, whether in low health standards, inadequate food, and lack of technical progress, or floods or droughts or failure in football, all these are to be attributed to the earlier administrations of the capitalist colonial powers...

"We will also make a grave mistake if we assume with excessive self-confidence that these Soviet promises and pretensions will soon be exposed because they will not be able to make good their offers of trade and economic aid to the underdeveloped countries. They may be more successful in this regard than we expect.

SAFETY MEASURES

"What, then, can we in the West do, and what must we *not* do, in meeting this new and serious challenge:

(a) We must continue to supply, and even increase, economic and technical aid for the underdeveloped areas. We should not attach political strings to that aid of a kind which would neutralize its value and prevent its good reception. We cannot purchase reliable allies or real friends among the peoples we are co-operating with and helping, and we should not try to do so.

(b) We should not in our wisdom urge our friends in the technically underdeveloped areas of the world to reject out-of-hand offers of aid from the Soviet bloc. They will themselves have to assess and avoid the political or economic perils which may be involved. We must count on the good sense of the leaders of these peoples to make the necessary distinction between the type of aid being given by the Western world and that offered by the Soviet bloc. We must by our own policies ensure that this distinction is not only clear, but in our favour.

(c) We must not enter into any kind of auctioning competition with the Soviet bloc, attempting to match or to out-bid their offers, and so be drawn into enterprises which may not be in themselves desirable. We can never hope to beat the Communists in promises.

(d) It is also very important, I think, that the United Nations should be brought more closely into the international economic assistance picture, as has recently been suggested by the UN Secretary-General and others. This

will be the best way of establishing the bona fides of those who wish to participate in this work.

"I do not mean by this that all mutual assistance programmes should be administered by the United Nations. True, the present UN programmes are being effectively handled, without political or strategic considerations getting in the way, and they deserve more support than they are receiving. There are, however, things like the Colombo Plan, operated outside of, but within the spirit of, the United Nations, which should be continued as they are.

"What I would like to see is an agreement between all nations contributing to any form of international assistance that they would submit all their plans and policies in this field to the United Nations, where they could be examined, made public, and co-ordinated; where any suspicion that they were being used for political purposes could be challenged....

"Careful consideration should also be given, as I have indicated, to further concrete support for United Nations schemes now actually in operation, and to any new proposals which have been or may be put forward. If the Soviet Union is sincere in its insistence on the peaceful character of its challenge to competitive co-existence, it might begin by doing something really worthwhile to help these United Nations assistance programmes.

AID DISTRIBUTION

"In addition to capital assistance, the West must also enlarge, improve, and make more international, the present arrangements for the provision of necessary technical and scientific experts for service in materially underdeveloped areas.

"With our present procedures it is clear that we shall never have enough of them to meet in time the pressing need.

"Why should we not consider establishing an International Professional and Technical Civil Service under the United Nations, with experts specially trained for work in these underdeveloped areas?

"Furthermore, in our preoccupation with what should be done, we must not lose sight, of course, of why it should be done. 'Know why' is as important as 'know how'. Western motives in these aid activities may include considerations of enlightened self-interest which need not be at all unworthy.

"But it is true that in the Western world we are sincere and genuinely altruistic in our wish to help those who are less fortunate than ourselves; and that we have a deep sympathy with these people who are themselves making such great efforts to improve, with their own resources, their conditions of life. We must keep it that way, for without proper motives we could make serious and unnecessary blunders which would undo the effect of all we are trying to do...."



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WINGS OVER CANADA

GOVERNMENT KEEPS ABREAST: Transport Minister George C. Marler recently described the progress of aviation in Canada during the past twenty years as "astonishing" and expressed the view that this progress must be a "source of great satisfaction to all Canadians." Aviation in Canada, he said, had been built on a sound foundation and the stability of its future with new developments every year was assured. "I am certain," he said, "that Canadians will continue to support her aviation which we shall see developing with Canada itself."

Mr. Marler was addressing a reunion dinner of former graduates of the Ste. Marie College, Montreal. He traced the development of aviation in Canada and outlined the facilities provided for the purpose of keeping abreast of the increasing weight of aircraft. "In 1937 few aircraft weighed more than 20,000 pounds", said Mr. Marler, "whereas today many aircraft weigh 120,000 and even 135,000 pounds. We are told that aircraft which will be in service in 1965 will probably have a weight varying from 60,000 to 285,000 pounds."

In commenting on the development of modern aircraft and the runways they needed, Mr. Marler pointed out that in 1937 a runway 3,500 feet long was ample for the aircraft of that time, whereas it was necessary today to construct runways of 5,000 or 7,000 feet for certain types of aircraft. It had been predicted that by 1960 runways 9,000 feet long

would be required to handle the larger jet aircraft expected to be in service by then.

Department of Transport responsibilities also included provision of radio aids to air navigation, Mr. Marler said. Some 16,000 miles of airways were equipped with radio ranges, operating on low frequencies, but the Department was now installing omnidirectional ranges, the VOR system, operating on high frequencies that provided visual rather than oral guidance to pilots.

"We have installed this VOR system on the airway between Montreal and Windsor and we propose to instal them soon...between Toronto and Winnipeg," said Mr. Marler. "As equipment becomes available, we shall continue to put in these installations on other sections of the trans-continental airway system."

Other special facilities provided by the Department of Transport for safeguarding the operation of aircraft included the installation of high intensity lighting, instrument landing systems or ground control approach at the major airports for the safe landing of aircraft under unfavourable weather conditions. Mr. Marler said that air traffic control was responsible for the handling of air traffic but with the increasing number and speed of aircraft it had been decided to install surveillance radar facilities at major airports "to enable the air traffic control to control more efficiently the movement of aircraft on the airways."

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2ND BRIGADE OFFICERS ON COURSE: Senior officers serving in Europe with elements of the 2nd Canadian Infantry Brigade took part recently in a four-day training exercise at the British Army all-arms training centre, Sennelager, Germany.

The scheme, called "Maple Leaf III", involved all Canadian officers of the rank of major and above. Some 60 candidates participated, as well as certain British army and RAF officers selected by the 1st British Corps.

Aim of the exercise was to broaden the professional knowledge of Canadian field officers in Europe, and to study the handling of an infantry brigade group in operations under the various phases of warfare.

The exercise included lectures and discussions on the military tactics of other nations, nuclear warfare, air support and field operations at various levels.

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NEW LABOUR INCOME PEAK IN '55: Canadian labour reached a new all-time top income of \$12,861,000,000 in the year 1955, an increase of 7.5 per cent over 1954's \$11,989,000,000. All major divisions contributed to the year's increase. December's total was up to \$1,125,-000,000 from \$1,032,000,000 a year earlier.

Estimated labour income for the construction group rose 13.5 per cent in 1955 to \$933,000,000 from \$822,000,000 in the preceding year. The finance and services group rose 9.5 per cent to \$3,146,000,000 from \$2,871,-000,000, while an increase of about 6 per cent occurred in the distributive group of industries to \$3,310,000,000 from \$3,127,000,000.

A gain of 3 per cent was registered for the primary industries to \$891,000,000 from \$865,-000,000. Within this group, however, wages and salaries rose nearly 7 per cent for mining and over 7.5 per cent for logging, while the totals for agriculture and fishing declined. Supplementary labour income increased to \$452,000,000 from \$426,000,000.

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BREAD CONSUMPTION IN 1954: Canadians consumed a near-record quantity of 1,525,974,000 pounds of bakers' bread in 1954, slightly under 1953's peak of 1,557,542,000 pounds. Per capita consumption fell to 100.5 pounds from 105.4. The value of bread consumed in 1954 was \$173,166,000, up from \$171,795,000 a year earlier.

Factory selling value of all products shipped by the industry in 1954 grossed \$280,208,-000, versus \$277,998,000 in 1953. Among the principal products, the value of bread was \$172,918,000 (\$171,547,000 in 1953); plain rolls and buns, \$10,615,000 (\$11,063,000); fruit buns, yeast-raised sweet goods, \$16,-179,000 (\$15,953,000); pies, cakes and pastries, \$68,545,000 (\$67,754,000); and doughnuts, \$7,587,000 (\$7,019,000).

CHALK RIVER VISITS TORONTO: Nearly everything that Atomic Energy of Canada Limited needs to carry on its research - including uranium metal, heavy water, special concrete shielding, and professional staff - was on hand at the company's exhibit in Toronto's Royal York Hotel, March 5 and 6. The exhibit marked the annual meeting of the Prospectors and Developers Association. It was open to the general public both days.

Atomic power held a prominent place in the exhibit. A model of Canada's first atomic power station, NPD (Nuclear Power Demonstration), which is to be built near the Ontario Hydro station at Des Joachims on the Ottawa River, was displayed. A large model of the NRU reactor, which is nearing completion at Chalk River and is expected to be the finest research and engineering test reactor in the world, was shown for the first time in Canada. This model was on display in Geneva last August at the International Conference on the Peaceful Uses of Atomic Energy.

Also shown publicly for the first time was a detailed model of the Port Hope uranium refinery of Eldorado Mining and Refining Limited. A large panel behind the model explained steps in the processing uranium-bearing ore, and members of Eldorado's staff were on hand to discuss the plant.

Other models in the exhibit gave a clear explanation of the principle of operation and the structure of the NRX reactor and the Cobalt-60 Beam Therapy Units used in the treatment of cancer.

Prospectors who had found thousands of tons of uranium-bearing ore but had never seen uranium metal had their first chance to examine pieces of this atomic fuel. Actual sections from the uranium fuel rods of the NRX and NRU reactors at Chalk River were on display.

The layman who had frequently asked Chalk River staff what heavy water looked like was at last to see for himself. A set of scales with a flask of heavy water on one side and a flask of ordinary water on the other demonstrated that heavy water is about 10 percent heavier than ordinary water.

A cloud chamber showed tracks being made by radiation given off by a tiny speck of radium. The tracks looked much like the vapour trails made in the sky by aircraft. The principle of the chamber is simple and anyone who can obtain a pickle jar, some alcohol and some dry ice can make himself a fascinating radiation "detector." Although radium was used in the display chamber in order that a large number of tracks might be visible, even a home-made chamber will show the tracks of cosmic rays.

Fire destroyed an estimated 81,170,000 cubic feet of Canada's forests in 1954, and insects and tree diseases 500,000,000 cubic feet.

AIRMEN RECEIVE GALLANTRY AWARD: Her Majesty the Queen recently approved the award of the Queen's Commendation for Brave Conduct to three RCAF airmen, Corporal K.B. Hyatt, 30, of Leamington, Ontario, and Leading Aircraftmen C.R. Heffern, 24, of Toronto, and J.R.A. Ste. Marie, 24, of Verdun, Quebec.

The airmen were on duty at Keflavik Airport, Iceland, on February 21, 1955, with the RCAF's No. 1 Overseas Ferry Unit, when an F-86 Sabre jet ran out of control and crashed into two others parked along the tarmac, causing them to burst into flames.

An airman was trapped in one of the burning aircraft. Corporal Hyatt rushed to the scene with a fire extinguisher, followed by LAC's Heffern and Ste. Marie. When all efforts to open the jammed canopy failed, the three airmen smashed it with fire extinguishers and pulled out the trapped flyer, who had been overcome by smoke and fumes.

The citations accompanying these awards read in part "...without regard for personal safety (they) displayed courage and presence of mind in the rescue of an airman trapped inside a burning aircraft when danger of explosion was imminent."

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PPCLI SHINES AT SPORTS MEET: Canadian entries in the recent British Army Ski championships in Winterberg, Germany, "didn't have a chance" - but a pick-up team from the 1st Battalion Princess Patricia's Canadian Light Infantry copped two of the meet's six major prizes just the same. They missed a third by a scant four seconds.

The four-man team, captained by Lieutenant Rick Gillis of Ottawa, led the entire field in the slalom by 43 seconds, then placed second in the downhill with a total time of four minutes, 51 seconds. Their full time also gave them the combined alpine championship.

The victories were doubly sweet for the Canadians. Most of them had to borrow or buy their own equipment and only had two weeks to train as compared to the two months of their opponents. Among the vanquished was a British team which competed in the Winter Olympics at Cortina, Italy.

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HOSPITAL GRANT FOR URANIUM CITY: The Union Hospital at Uranium City in northern Saskatchewan has been granted \$40,583 by the Federal Government towards construction costs of a new hospital and staff residence. The new structure has accommodation for 27 patients, 14 bassinets in cubicles, outpatient and laboratory facilities, and a 23-bed nurses' residence. The new hospital replaces the Uranium City Hospital destroyed by fire in May, 1955.

NEW GUARDSMEN ON PARADE: The Regiment of Canadian Guards performed their first public duties in Ottawa during the recent State visit of the President of Italy, Signor Giovanni Gronchi.

The 2nd Battalion, Canadian Guards, based at Camp Petawawa, Ontario, provided a 100-man guard-of honour for the arrival and departure of Signor Gronchi and for a wreath-laying ceremony at the National War Memorial.

The Guards band paraded on each occasion with the Regiment.

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IMPORT VALUE UP: Boosted by large gains in a wide range of commodities, including rolling-mill products, engines and boilers, machinery, automobiles and parts, crude petroleum, and rubber, the value of Canada's merchandise imports rose 19 per cent in November to \$443,-100,000 from \$372,100,000 in the corresponding month of 1954, and 15 per cent in the January-November period to \$4,325,900,000 from \$3,-756,500,000.

There were generally larger imports from main geographic areas both in November and the January-November period. The United States accounted for a major part of the increase both in November and the 11 months, but there were also substantial gains in purchases from the United Kingdom, other Commonwealth countries as a group, Latin American countries and European countries.

Imports from the United States rose to \$303,483,000 in November from \$273,459,000 a year earlier and to \$3,162,246,000 in the January-November period from \$2,718,317,000. In November, declines in the agricultural and vegetable products, fibres and textiles, and miscellaneous commodities groups were more than counterbalanced by increases in the other major groups. There were gains in a wide range of commodities in the 11-month period and an especially sharp rise in the iron and products group.

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DEPARTMENT STORE SALES: Department store sales reached an all-time high in 1955, being estimated at \$1,150,917,000, 8.4 per cent above the preceding year's \$1,061,676,000. Since the majority of department store firms operate on a fiscal period ending January 31, 12-month cumulative sales by departments and provinces will be published along with the January summary.

All-Canada sales in December rose 7.4 per cent to \$163,327,000 from \$152,022,000 a year earlier. Sales were up in value in all provinces except Saskatchewan where there was a decrease of 4.2 per cent. The rise in the Atlantic Provinces was 6.4 per cent, Quebec 11 per cent, Ontario 5.3 per cent, Manitoba 4 per cent, Alberta 10.6 per cent, and British Columbia 12.5 per cent.

NEW QUEBEC OPEN-AIR HYDRO PLANT: The generating station at The Shawinigan Water and Power Company's new hydro-electric development at Rapide Sans Nom, Quebec, will be of the most modern outdoor type, without superstructure, J.A. Fuller, president of the Company, announced recently.

Mr. Fuller's announcement followed that of Premier Maurice Duplessis, who stated that the Shawinigan company would start construction this spring on its seventh development on the St. Maurice River.

The plant at Rapide Sans Nom will operate under a head of 125 feet and is designed for six generating units with a total capacity of 248,000 kilowatts, or 330,000 horsepower. Rapide Sans Nom is about 10 miles upstream from La Tuque.

The outdoor-type power plant will be the first of its kind on the St. Maurice. The Shawinigan Engineering Company Limited, wholly-owned subsidiary of The Shawinigan Water and Power Company, is designing and will build the new plant.

Mr. Fuller said also that since the new dam at Sans Nom will raise the river level some 110 feet, a nine-mile diversion of the Canadian National Railways transcontinental main line will be necessary.

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FORT HENRY GUARDS TO ROYAL TOURNAMENT: Ontario's famed Fort Henry Guard will participate in the 1956 Royal Tournament to be held in London, England, from July 6 to 23.

In announcing that the invitation had been accepted, Ontario Minister of Highways James N. Allan noted that this was a signal honour, since the Guard, which is a civilian, not a military unit, will be taking part in what is rated as one of the world's greatest military spectacles. The Guard is composed entirely of hand-picked university students who are employed by the Ontario Department of Highways to give a visual presentation of history to visitors to Fort Henry, Ontario's historical show place at Kingston.

From a humble beginning in 1938, this corps has grown until the spit-and-polish smartness of its authentic 19th century uniforms is famed throughout the continent. Hundreds of thousands of visitors to the Kingston citadel have thrilled to the Guard's letter-perfect demonstrations of old British Army drill.

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CANADA TO SHARE IN A-TESTS: In agreement with the United Kingdom and the Commonwealth of Australia, Canada is to participate in the series of atomic trials to be held in Australia in late 1956. Members of the Canadian forces and of the Defence Research Board will assist in the trials, and items of Canadian service equipment will be exposed to the effects of the nuclear weapons.

BULLETIN ON WORKMEN'S COMPENSATION: Mr. Gregg, Minister of Labour, recently announced publication of the 1955 edition of "Workmen's Compensation in Canada", which includes recent amendments to workmen's compensation legislation in New Brunswick, Quebec, Prince Edward Island, British Columbia, Saskatchewan, Manitoba and Ontario.

Prepared by the Legislation Branch of the Federal Labour Department, the bulletin gives a concise description of the collective liability system of workmen's compensation in effect in all ten Canadian provinces. It discusses and compares the principal features of the ten provincial workmen's compensation laws and reviews briefly other compensation legislation in Canada, including the two federal laws covering government employees and merchant seamen and the compensation ordinances of the Yukon and Northwest Territories. Major amendments to the Government Employees Compensation Act are summarized.

In each annual edition, legislative changes made during the year are noted and revised tables indicate the benefits payable under the Acts as amended. The occupational diseases for which compensation is payable are also set out in tabular form.

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1885 BATTLE RELICS SOUGHT: A nationwide hunt for souvenirs of the 1885 Northwest Rebellion has been launched by the Governor General's Foot Guards, a Canadian Army Militia unit based at Ottawa. The unit hopes to gather enough mementos of the fight with the Cree chief Poundmaker to open a regimental museum in the Cartier Square Drill Hall, Ottawa.

A fledgling unit only three years old when Indians backing the rebel leader Louis Riel attacked at Duck Lake in the spring of 1885, the GGFG sent a Guards' Company of Sharpshooters to Saskatchewan to help quell the uprising.

So far, some old rifles used in the battle, a few medals and several pieces of uniforms and equipment have been collected. These will be cleaned and displayed in the new museum.

* * * *

CANUCKS USE LUFTWAFFE BASE: On March 5, troops of the 1st Battalion Princess Patricia's Canadian Light Infantry started on a 450-mile trip from Soest in Westphalia to Putlos on the southeast coast of the Baltic Sea.

They are the first infantry battalion to undergo a week of live-firing practice at the one-time Luftwaffe training base.

Scheduled to follow them are the 1st Battalion The Royal Canadian Regiment and the 1st Battalion Royal 22e Regiment.

Soldiers of each battalion during their week-long stay will take part in live-firing exercises and fire battalion support weapons individually and on a detachment level.

RCN OFFICERS TO RN STAFF COLLEGE: Five officers of the Royal Canadian Navy will attend the 6-month course at the Royal Naval Staff College, Greenwich, England, that will begin March 19. They are:

Commander John McWhannel Leeming, 45, of Victoria and Halifax, formerly executive officer of the Arctic patrol ship Labrador.

Commander Victor Jura Wilgress, 35, of Ottawa and Halifax, who has been Commander (Air) in the aircraft carrier Magnificent.

Lieutenant-Commander Peter Cushing Berry, 32, of Rockcliffe, Ontario, and Dartmouth, Nova Scotia, formerly officer-in-charge of the Observer School at the RCN Air Station, Shearwater, Nova Scotia.

Lieutenant-Commander Ean Victor Pearce Sunderland, 31, of Duncan, British Columbia, and Halifax, formerly Staff Officer (Torpedo Anti-submarine) in the Joint Maritime Warfare School in Halifax.

Lieutenant-Commander (E) John Ormand Aitkens, 33, of Kelowna, B.C., and Ottawa, formerly on the staff of the Engineer-in-Chief, at Naval Headquarters.

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VISIT BY N.Z. PRIME MINISTER: The Department of External Affairs has announced that the Right Honourable S.G. Holland, Prime Minister of New Zealand, has accepted the invitation of the Canadian Government to visit Canada next June en route to the Commonwealth Prime Ministers' Meeting in London. The Prime Minister and Mrs. Holland plan to travel to Canada from Japan, arriving in Vancouver on June 7 and reaching Ottawa on June 13.

They last visited Canada on their way to the Coronation in May 1953. The Right Honourable C.D. Howe, Canada's Trade and Commerce Minister, made an official tour of New Zealand as the guest of its Government in April-May 1955.

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NEW PORTUGUESE ENVOY: On March 8, Dr. Vasco Vieira Garin presented to the Governor General, at Rideau Hall, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Portugal to Canada.

Dr. Vieira Garin is a career diplomat, having entered the diplomatic service in 1931. He has served at the Portuguese missions in London and in Washington and has been head of the Political Division of the Portuguese Ministry of Foreign Affairs. He became Consul General in Montreal in 1947 and in the following year was appointed Minister Plenipotentiary to India, Thailand and Ceylon. Dr. Vieira Garin has also represented his country on several delegations to international conferences.

Cars in railway freight service at the end of 1954 numbered 189,400, up 7 per cent from 188,000 a year earlier.

LANGUAGE TRAINING FOR SOLDIERS: Recently, in Quebec City, two groups of visitors toured the Canadian General Electric Company plant. The first group, all French-speaking soldiers, had an English-speaking guide. The other, solely English-speaking soldiers, was given a description of the big factory in the French language. Then both groups returned to Camp Valcartier to write an essay on what they had seen.

This is just one of the methods used in the visual system of language training being carried out at the Canadian Army Training School.

At the school, soldiers who a few months ago didn't know a word of French now are speaking, reading and writing the language fluently. French-speaking soldiers have become equally adept in the English language.

The Canadian Army Training School, commanded by Major Andrew J. Woodcock of Montreal and Sarnia, Ontario, is responsible for the general military training and English-language training of all French-speaking recruits from every corps except infantry. If a recruit shows leadership potential he is earmarked for advanced training in English. If he still shows this potential after completing a course at his corps school, he returns to CATS for five months' intensive study in English.

The French language course comprises volunteer candidates, NCOs, or junior officers from English-speaking units of all corps. They attend CATS for a six months' period. Since 1953, when the first course was held, almost 100 soldiers - officers and men who previously knew no French - have been graduated as fluent bilingualists.

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JUNIOR NCOs GRADUATE IN GERMANY: The 2nd Canadian Infantry Brigade in Germany has graduated the first group of junior non-commissioned officers from its newly-opened NCO school. A parade and march-past ended eight weeks of crisp discipline and intensive instruction for 75 candidates.

Top student on the course was a Toronto man, Lance Corporal Douglas Gunn, 21, a member of the 1st Battalion, The Royal Regiment. Presentations were also made to two other candidates for their course performance. They were Lance Corporal Thomas D. Jones, Edmonton, 1st Battalion, Princess Patricia's Canadian Light Infantry, and Lance Corporal Bernard Edgington, 34, of Chilliwack, B.C., 1st Field Squadron, Royal Canadian Engineers.

The students, from various units of the 2nd Brigade formation, now return to their parent units as qualified non-commissioned officers.

Preliminary figures show 5,796 divorces in Canada in 1955, or a rate of 37.2 per 100,000 population, compared to 5,922 and a rate of 39.0 in 1954. Peak year for divorces was 1947 with 8,199 or 65.5 per 100,000 population.

PRINCIPAL FIELD CROPS: Revised data indicate that gross farm value of production of Canada's principal field crops in 1954 was \$1,240,000,000, down sharply from the \$1,810,000,000 of 1953 and the record \$2,330,000,000 in 1952. The pre-war (1935-39) average value of field crop production was \$580,000,000, while the 1945-49 average stood at some \$1,520,000,000. The lower gross value of 1954 field crop production relative to that of 1953 was largely attributable to adverse weather and to the rust epidemic in Western Canada, both of which reduced production and quality of many of the major crops.

Preliminary estimates of value of Canada's 1955 field crops, at \$1,560,000,000, based on average prices received by farmers during the August, 1955 - January, 1956 period and including initial payments only on western wheat, oats and barley, indicate a substantial recovery from the 1954 level. Additional payments on the 1955 western wheat, oats and barley crops may be expected to increase the value over the current estimate.

Crops contributing the largest amounts to the 1954 total were: wheat, \$350,000,000; tame hay, \$273,000,000; oats, \$206,000,000; and barley, \$156,000,000. The gross value of both the 1954 wheat crop and of the all-Canada total will be further increased by whatever final payment is made on that part of the wheat crop marketed through the Canadian Wheat Board.

On a provincial basis in 1954, Ontario with \$297,800,000, recorded the highest value of field crop production, closely followed by Saskatchewan with \$297,400,000. The final Wheat Board payment on the 1954 western wheat crop, however, may be expected to reverse this order.

The gross value of field crop production in the other provinces in 1954 was estimated as follows: Alberta, \$272,100,000; Quebec, \$146,400,000; Manitoba, \$125,700,000; British Columbia, \$31,100,000; New Brunswick, \$28,000,000; Prince Edward Island, \$25,000,000; and Nova Scotia, \$19,200,000.

* * * *

JANUARY COAL OUTPUT UP: Canadian production of coal rose 14.5 per cent in January to 1,660,000 tons from last year's corresponding total of 1,450,000 tons, the Dominion Bureau of Statistics reports. At the same time landed imports increased 22.4 per cent to 721,400 tons from 589,300. The month's output in Alberta amounted to 626,000 tons (489,400 a year earlier); Nova Scotia, 509,000 (486,900); Manitoba, 325,000 (292,000); British Columbia and Yukon, 132,000 (120,600); and New Brunswick, 68,000 (69,800).

Commercial canners used 71,246,505 raw pounds of peaches this year, of which 378,436 pounds were imported.

CANAL OPENING DATES: Opening dates for Canada's main line canals were announced on March 7 by the Department of Transport. The Welland Ship Canals are to open on Easter Monday, April 2. By that time, all excavation works undertaken by the St. Lawrence Seaway Authority during the non-navigation season are to have been completed or deferred to next year and the equipment they require removed. The Sault Ste. Marie Canal is scheduled to open on April 4.

The St. Lawrence River canals, comprising the Lachine, Soulanges, Cornwall and Williamsburg canals, will open for traffic on April 16. For the first time, the Canso canal between the Nova Scotia mainland and Cape Breton Island is scheduled to open on April 9.

All these dates are well ahead of the 25-year average but are practically the same as last year. The hour set for the opening of these canals is 8:00 a.m. on the dates indicated, "ice and weather conditions permitting".

* * * *

COPPER, NICKEL OUTPUT UP: Production of both copper and nickel was larger in 1955 than in the preceding year, according to the Bureau of Statistics' regular monthly report. The year's output of primary copper rose 7 per cent to 324,756 tons from 302,732 in 1954 and nickel production increased 8.6 per cent to 175,173 from 161,279.

* * * *

CONSUMER PRICE INDEX DOWN: Canada's consumer price index decreased 0.3 per cent from 116.8 to 116.4 between January 3 and February 1, 1956. A year ago the index stood at 116.3. The current decline in the food index was responsible for the drop in the total index, as the shelter, household operation and "other" commodities and services indexes moved up slightly and the clothing index was unchanged.

The food index declined 1.4 from 111.5 to 109.9. This was the largest decrease in more than two years and it brought this index to its lowest level since January 1951. Further decreases in eggs and pork cuts, combined with lower prices for all beef cuts, oranges, margarine, coffee, grapefruit and lettuce more than offset scattered increases including those for potatoes, tomatoes and apples.

The shelter index continued its long upward movement as it rose from 131.3 to 131.5. Both the rent and home-ownership components contributed to this latest increase. Clothing prices were generally stable and the clothing index remained unchanged at 108.6. Minor increases and decreases affected only a few times.

Canadians spent \$7.80 per capita on motion picture entertainment last year, 50 cents or 6 per cent per capita less than in 1953 -- the first drop on record.



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THE UNITED STATES TODAY - A CANADIAN VIEW

TWENTY-FIVE YEARS OLDER: "Are we Canadians adjusting ourselves as we should to the quite new situation of our country? Does our attitude toward other nations and other peoples always display the maturity, the responsibility and sense of proportion befitting our increased wealth and stature?" asked Mr. Arnold Heeney, Canadian Ambassador to the United States, in an address on February 27 to the Young Men's Section of the Montreal Board of Trade. "For whether we like it or not," the speaker continued, "we Canadians have reached man's estate and, in our international demeanour, can no longer permit ourselves the irresponsibilities of youth...Nowhere is this change more remarkable, nor its consequences more significant, than in our relations with the United States."

The rest of Mr. Heeney's speech, which dwelt on the present international position of the United States, follows verbatim:

"Most Canadians have a fair idea of how important these relations are. They know that the United States is at once our best customer by far and our principal source of supply and that our trade with the United States is greater than with all other nations combined. They know from experience that what happens in the American economy is reflected, and reflected pretty soon, in their own. And every Canadian is quite certain that, for good or ill, the destinies of the two countries are mixed up together, inextricably and forever.

"In the last twenty-five years the United States, too, has been going through a period of enormous change and development. While the Canadian population has increased from 10 to 16 million, that of the United States has risen from 123 to over 165 million. Their gross national product, some \$60 billion in 1931, came close to \$400 billion in 1955.

"But - as in our own country - still more significant changes have taken place in the American scene - changes which cannot be measured by statistics.

"You will all remember how Americans used to be blamed for failing to shoulder their just share of international responsibility. You will recall some of the familiar charges - heard in Canada as well as abroad: the United States had scuppered the League her own President had founded; the United States was not behaving responsibly in her international financial dealings; the Americans couldn't manage their own domestic economy and were dragging the rest of the free enterprise system down with them.

"Whatever validity there may have been in such criticisms twenty-five years ago, surely they have little relevance today. Consider the change wrought in less than a generation. The United States has had thrust upon her a degree of world responsibility that is probably without parallel in history. The manner in which

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THE UNITED STATES TODAY - A CANADIAN VIEW

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the American people have accepted this heavy load should command the respect and gratitude of free men everywhere - and perhaps of Canadians most of all. For it is particularly fitting - and somewhat sobering too - for Canadians to remind themselves of what the free world owes to their giant neighbour.

"It was the vast material and manpower resources of the United States, poured unstintingly into the great hopper of the Alliance, that finally turned back the forces of aggression in World War II. It was American money and goods - over \$30 billions worth, through the Marshall Plan - that made possible the quick and impressive recovery of the shattered economies of Western Europe. Without American support and enthusiasm the United Nations - with all its weaknesses, the embodiment of mankind's best hopes for peace - might never have been born. It was the decision of the United States to retain substantial forces in Europe after the fighting was over that choked off the threat of new aggression. It was the United States participation in NATO that helped to consolidate the resources of the Atlantic Community into the main bulwark of peace in Europe. It was the United States, with the moral backing and material support of other UN members, that bore the brunt in checking Communist aggression in the Far East. And now, throughout most of the free world, the United States is powerfully committed and American forces and influence are deployed for the defence of freedom around the globe.

"In the many organizations developed since World War II for international economic co-operation, the United States has taken a leading part. And she has borne the major share of the costs involved. Through United Nations agencies and in other ways, including the Colombo Plan, American economic assistance has been the main element in aid programmes to the under-developed areas of the world. United States imports have quadrupled since before the war and, although their merchandise exports are higher than their imports, it will come as a surprise to some that the total of U.S. payments, including economic aid, has been of such magnitude that, during the last few years, the rest of the world has been adding to its gold and dollar assets at a rate of over \$1½ billion a year.

"At home the continued high level of American production has been reflected in increased economic activity throughout the free world. This high level of activity is a substantially different thing from the boom which developed in the 'free wheeling' days of 1929. Throughout the past year, the United States Government has actively intervened with monetary and other measures in a conscious effort to ensure that extremes were avoided, and that the economy did not get out of hand. A

close look at recent trends shows a remarkable record of sustained growth and expansion with accompanying price stability. Particularly impressive is the quiet feeling of confidence that, although all may not be plain sailing ahead, government and business can and will act to ensure that the U.S. economy maintains a reasonably even keel....

"Familiar as we are, in most ways, with our friends across the border, I think that, sometimes, we Canadians do not take fully into account the radical changes over this period in both our countries. (Incidentally, the same can be said of certain American attitudes about Canada). For it is so very easy in one's thinking to fall back into outmoded patterns. The self-centred, self-satisfied, aggressive Uncle Sam is a familiar figure in Canadian history. And a critical, even hostile attitude toward things American finds many echoes in earlier epochs of our Canadian story.

"But the inclinations and prejudices of former days have little relationship to present realities; nor should we allow them to determine our current opinions or behaviour. We have lived to see the firm establishment in our northern half of this continent of a strong and sovereign Canada, taking her own independent place among the nations of the world at a time when the foundations of freedom were everywhere threatened. Let us, therefore, give full weight and recognition to these great changes and, in our relations with these people, eschew all pettiness and suspicion, all ill-considered and facile criticism and deal with our differences in an adult, responsible manner. To do otherwise is unworthy of our own station - and, incidentally, plays directly into the hands of those who would divide us.

"All this is not to say that the policies of the United States and the actions of Americans should be immune from Canadian criticism and even attack. That would not be possible, even if it were desirable - which it is not. In the conduct of our relations with one another the process of responsible public discussion and free criticism is as vital as it is in our own domestic affairs.

"The objectives of the United States and Canada, the major standards and ideals of the American and Canadian peoples - the great essentials; these by tradition and by choice are the same both sides of the border and, please God, will remain so. Let us then in the multitudinous dealings we have with each other - on this North American Continent and beyond - so conduct ourselves that the next quarter century will add still greater strength, still closer friendship and still more confident mutual understanding and respect to the unique association of our two nations."

RCR CELEBRATES OLD VICTORY: A few days ago, a famous Canadian infantry regiment turned the clock back 56 years to observe a red-letter date in its history.

The theme was the South African War and the event the winning of the Battle of Paardeberg against the Boers on February 27, 1900, by soldiers of The Royal Canadian Regiment.

The battle, on the Modder River in the Orange Free State, ended in the surrender of the Boer General Cronje and his Commando of 4,000 men. It was the 2nd (Special Service) Battalion of the RCR's, commanded by Lieutenant-Colonel W.D. (later General Sir William) Otter, that delivered the night attack leading to Cronje's surrender.

Down through the years, in whatever part of the world the unit is serving, the RCR's hold special celebrations marking the occasion and all military activities are suspended for the day in favour of commemoration ceremonies and frivolous merry-making.

This year the half-century-old custom was observed by the 1st Battalion in Soest, Germany, and the 2nd Battalion in London, Ontario.

In Europe municipal officials and leading citizens of the town of Soest joined the RCR's in celebrating the occasion.

The programme included mess dinners, the parading of the unit's "creped" colours into church to honour the dead of past wars, a march past with the commander, Brigadier Roger Rowley, and the Burgomeister of Soest taking the salute, sports competitions and a joint civilian-military ball in town in the evening.

* * * *

FLIGHT DATA FULLY LOGGED: The first of five Mark 6 Sabre jet "flight simulators" being obtained by the RCAF has been turned over to the Air Force at the London factories of Redifon Limited.

Flight simulators, in use by the RCAF for pilot instruction since early 1954, have resulted in sizeable savings in aircraft operating costs. They provide pilots with practice in all phases of emergency procedure, exactly duplicating the many situations which might develop in flight.

Housed in a 36-foot long, 12½ ton trailer, the latest in Sabre simulators is equipped with a Ground Control Approach recorder providing a complete record of each flight made in the machine. By a system of pens the pilot's flight is traced on cards. These cards can be discussed by the instructor with the student on completion of the exercise.

Some mobile Sabre simulators now are in Europe with the RCAF's Air Division, but with Mark 6 Sabre jets steadily replacing the Mark 5 model, a requirement exists for the latest simulator. In Canada static Mark 5 Sabre simulators are in service at the RCAF's No. 1 Fighter Operational Training Unit at Chatham, New Brunswick.

ST. THOMAS CD PROJECT: The Honourable Paul Martin, Minister of National Health and Welfare, and federal Cabinet Minister responsible for civil defence, gave approval recently, under the terms of the Federal Financial Assistance Programme, to the civil defence project submitted by the city of St. Thomas, Ontario, in the amount of \$8,770.

Under the assistance programme it has been agreed by federal-provincial-municipal authorities to share civil defence expenditures on a 50-25-25 basis. The federal share for the St. Thomas project will be \$4,385 or fifty per cent of the total cost. Recent approval was also given by the Federal Government under this same programme for an expenditure of \$200,441.50 for civil defence projects in the province of Ontario and \$112,711 for civil defence projects in Metropolitan Toronto. These grants were for projects during the fiscal year 1955-56.

The St. Thomas project includes funds for administration, training and equipment costs, with \$3,300 specified for personal services, \$3,450 for equipment, \$1,370 for utility services, \$300 for travel, \$200 for supplies and materials, and \$150 for miscellaneous expenditures. Of the total, a sum of \$3,250 is to be spent on the establishment of a civil defence headquarters with provision for a control room.

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PROVINCIAL LABOUR STANDARDS BULLETIN: The 1955 edition of "Provincial Labour Standards", prepared by the Federal Department of Labour, sets out the standards in effect in the provinces of Canada with respect to statutory school-leaving ages, minimum age for employment, annual vacations with pay, public holidays, maximum hours of work in mines, factories, shops and offices, minimum wage orders, equal pay and fair employment practices, weekly rest-day and workmen's compensation.

The enactment of a Fair Employment Practices Act in Nova Scotia and the setting of the first minimum wage rates for women in Newfoundland, and increases for Ontario women workers, were among the 1955 changes noted in the bulletin. In five provinces benefits under Workmen's Compensation Acts were increased.

* * * *

HOTEL RECEIPTS IN 1954: There were 5,208 full-year and seasonal hotels in operation in Canada in 1954 and their receipts totalled \$405,856,000, 1 per cent less than the \$410,715,000 reported by 5,209 hotels in 1953. The number of rooms decreased slightly to 148,890 from 149,653 and the percentage of room occupancy decreased to 53 per cent from 55 per cent. The average room rate increased to \$3.81 from \$3.64.

VITAL STATISTICS IN 1954: The Dominion Bureau of Statistics has released its final annual report on vital statistics for the year 1954, for which preliminary figures were issued last Fall.

The 34th in a series issued since 1921 on data obtained under arrangement with provincial registration offices, the 136-page report contains, in addition to comprehensive and detailed statistics on births, deaths, marriages, divorces and still-births, comparisons of Canadian vital statistics rates with those of other countries, several historical series and detailed statistics for the Yukon and Northwest Territories.

As previously announced, several vital statistics records were established in 1954. The year saw the highest number of births ever recorded in Canadian history at 435,142 in the 10 provinces and 1,056 in the Yukon and Northwest Territories; the birth rate of 28.7 was the second highest in the last 33 years, only slightly below the post-war record 28.9 in 1947, and the 6th highest among the major countries of the world. For the second year, Ontario had more births than the traditionally highest province, Quebec. Newfoundland had the highest birth rate at 34.3 and Prince Edward Island and British Columbia the lowest at 25.9 and 26.0 per 1,000 population.

Despite an ageing population, the 1954 death rate of 8.2 per 1,000 population was the lowest ever recorded, having dropped from a previous record low of 8.6 in 1953. Only the Netherlands had a lower rate (7.5) among major world countries.

These high fertility and low mortality rates during 1954 gave Canada the 6th highest rate of natural increase (excess of birth over deaths) in the world, exceeded only by Venezuela, Mexico, Ceylon, Chile, and Peru, all of which have very high birth rates. Almost 311,000 persons were added to the Canadian population in 1954 through natural increase alone, the highest number in Canadian history. Natural increase has added slightly over 1,000,000 persons to the population between the date of the 1951 census and the end of 1954.

* * * *

FRENCH ORPHANS ENTERTAIN RCAF: Reversing the usual community relations procedure, an "RCAF" day was recently held at a French orphanage near Metz, France.

A group of 30 airmen and dependents from Canada's NATO Air Division Metz headquarters were the visitors when girls of Bon Pasteur, an orphanage at nearby Borny, entertained them at a special concert.

It was the girls' way of thanking the Canadians for a Christmas party given them at Air Division headquarters, and they made the most of it - from tots of four to talented teenagers who provided vocal accompaniment.

FORBID FLYERS DISTURBING CRANES: Whooping cranes complaining to the Canadian Wildlife Service that low-flying aircraft are disturbing their peace will soon have the law on their side.

Effective April 1st, a "notam" to all airmen by the Transport Department forbids pilots who travel over the wilderness nesting grounds in Wood Buffalo National Park, N.W.T. to fly lower than 2,000 feet or to land within the area.

Wood Buffalo, a vast wilderness of lakes, forests and bush, straddles the boundary of the Northwest Territories and the province of Alberta and is the largest of the national parks. About two-thirds of the cranes' nesting grounds lie within it. The protected area covers some 2,250 square miles, or about one seventh of the total area of the Park.

Wide publicity by conservation agencies and sportsmen's associations in Canada and the United States has done much to arouse the public to the plight of the vanishing cranes. This shy species is not only faced with the hazard created by discovery of their nesting grounds last summer, but also by the growing number of aircraft flying in the north.

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NEW ARCTIC WEATHER POST: After three months of daily operation, the new meteorological station of the Department of Transport at Sachs Harbour on the southwest coast of Banks Island, situated at the most westerly point in the Canadian Arctic Archipelago, has proved to be of considerable importance in providing advance information on the weather sweeping down from the northwest into central Canada and the United States. These observations supply meteorological information for an area that hitherto was a blind spot in the western Arctic.

The new weather observing and "rawinsonde" station went into operation on November 1, 1955. A Department of Transport announcement says that in the month of January this station achieved a perfect record of reporting upper atmosphere conditions twice daily for every day of the month to heights exceeding 50,000 feet. This was done during a period of high winds and temperatures dropping at times to 50 degrees below zero and lower.

Prefabricated buildings, equipment, supplies and some sixty-two tons of diesel oil were landed at the beach at Sachs Harbour in mid-August. Equipment and supplies were cached above high-water level, but due to high waves during one of the worst storms experienced in the western Arctic, much of this was scattered along the shore over a distance of seventy-five miles. Most of the equipment and supplies were recovered.

The weather station staff performed a herculean task of dismantling, cleaning and reassembling all equipment which had been immersed in sea water.

CANADA'S FIVE THOUSAND MILE ROAD

TRANS-CANADA HIGHWAY: In an address to the Hamilton Branch of the Engineering Institute of Canada on February 22, Mr. R.M. Winters, Minister of Public Works, observed that the history of Canada had been "shaped by the development of communications perhaps more than by any other single factor; our growth has from the first been interwoven with the story of the development of water, rail, road and air transportation."

After briefly outlining the historic development in Canada of the other types of transportation, Mr. Winters turned to the growth of the country's road system, in particular the emergence of a genuine transcontinental highway, as follows:

"...At the time of Confederation, roads were left almost entirely to local initiative and finance. However, in the interests of national defence, the new Federal Government did accept responsibility for a few major connecting roads.

EARLY ROADS

"Generally speaking, though, roads played little part in long-distance travel until the era of the automobile. Less than 60 years ago it was reported to the Ontario government that it was doubtful that there was a mile of true Macadam road throughout the province outside a few cities or towns. The majority of the roads were little better than trails, nothing but mud-ruts and holes from the middle of October to the end of December and from the first of March to the end of May.

"With the coming of the automobile, the provinces took over responsibility for highways from the local authorities and progress has been relatively rapid since then.

"...Since 1919 the Federal Government has shouldered part of the financial burden for road-building. It is, for instance, responsible for building and maintaining roads in the national parks and in the Yukon and Northwest Territories and it, of course, maintains the Alaska Highway. In the construction of the Trans-Canada Highway, we are co-operating with nine of the ten provincial governments in the most ambitious road construction programme in Canada's history. In Canada we have been guilty sometimes in the past of building railways ahead of their time. We need feel no such sense of guilt as far as a Trans-Canada Highway is concerned. On the contrary, there has been a great reluctance, I think, to face up to the need for a coast-to-coast highway.

"We have needed such a road for many years. In an age when virtually every Canadian family owns an automobile, we are all keenly anticipating the day when we will be able to drive

from coast to coast across our country with ease and comfort. For six years now provincial and federal authorities have been working together on the task of completing a 5,000-mile highway from St. John's to Victoria. Nine provincial governments signed agreements with the Federal Government to complete their share of this project by December 9, 1956. But progress has been slower than we had hoped. At the end of 1955, just one year away from the anticipated completion date, about one-third of the total mileage remains unpaved and for some 250 miles of the route there is no highway of any kind. However, we have re-examined the problem and devised a new formula providing for increased federal assistance. It is designed particularly to close the gaps and we now expect to see the Highway a completed reality by the end of 1960.

NATURAL OBSTACLES

"The engineering tasks have been stupendous. Muskeg, the old CPR enemy, has been an important difficulty in northern Ontario as it has been in Newfoundland and elsewhere. A wide, marshy tract full of dead trees, leaves and debris must be excavated before a stable foundation can be laid, and in some places it goes as deep as 50 feet. Then there is the Prairie 'gumbo' - the treacherous, heavy clay soil covering 25 to 30 per cent of the route in this area. It requires the use of reinforced concrete and other special techniques. And in British Columbia the roadbuilding crews have literally had to move mountains. Work is hazardous in the extreme in the Fraser Canyon and the Kicking Horse Canyon, where hard-rock miners blast away the mountain wall 500 to 1,000 feet above a turbulent river, and landslides are frequent. Since in most places the railway runs below the new Highway, great care must be taken to protect the tracks and tons of rubble must be carried away truckload by truckload. In one 9-mile stretch between Field and Golden, two million tons of rock and an equal amount of dirt have been moved, by means of 5,000 tons of explosives. The cost of construction in this area is estimated at \$1 million a mile, and one half-mile stretch has cost \$1,500,000.

"The various stages in our story of communications have each made their contribution to Canadian development. There could hardly have been a Canada without them. The point I would like to make in conclusion tonight is that the Trans-Canada Highway is part of this story and part of the eternal job of nation-building. It is by no means unfair to compare it with the greatest of our transportation achievements of the past. ..."

PRIVATE AND PUBLIC INVESTMENT: Planned private and public investment outlays for new construction, machinery and equipment in Canada in 1956 involve an increase of 21 per cent from expenditures made in 1955, according to a report tabled in the House of Commons on February 23 by Mr. C.D. Howe, Minister of Trade and Commerce.

The report, entitled "Private and Public Investment in Canada - Outlook 1956", states that capital expenditure intentions anticipated for 1956 amount to \$7.5 billion, compared with actual expenditures of \$6.2 billion in 1955. These estimates are based on a survey of some 16,000 business establishments across Canada and upon surveys of proposed expenditures by governments, institutions and private house builders.

Mr. Howe said that, by almost any measure, the announced plans for 1956 constitute the most ambitious programme of capital spending undertaken in the postwar period. Not only would this be the highest level ever recorded, but the increase from last year, in volume terms, realized is substantially greater than that realized in any year since 1947.

The largest planned increases in capital spending in 1956 are in the mining, manufacturing and utilities industries. Outlays for utilities are planned at a rate 50 per cent above that for 1955, with the additional strength coming in power developments, pipelines and the railways' rolling stock programme.

CAPITAL OUTLAY

Both the mining and manufacturing industries propose increasing their capital spending by about 40 per cent in 1956. The increases in the manufacturing sector are largely accounted for by such export industries as paper products and non-ferrous metals and by the producers of industrial materials, such as primary iron and steel, chemicals, and non-metallic minerals. A continuing high level of expenditure is planned for housing, commercial and institutional building. Expanded highway construction programmes by the provinces contribute to the substantial increase in capital spending planned by governments.

A capital expenditure programme of the size indicated will exert strong demand pressures on the Canadian economy in 1956. It does not seem likely that Canadian producers of some key materials will be able to meet the increases in demand involved. Therefore, if present investment intentions are to be realized, a substantial increase in imports of such materials will be necessary. This may prove difficult in view of the tight supply situation for various types of steel and other construction materials in the United States and Western Europe. It is questionable, therefore, whether the scale of expansion indicated by the survey will be physically attainable within the current year.

TRADE PACT WITH THE U.S.S.R.: On February 29, the Minister of Trade and Commerce, Mr. Howe, told the House of Commons that a trade agreement between the Soviet Union and Canada, the groundwork for which had been laid by Mr. Pearson during his visit to the U.S.S.R. last October, had been signed earlier in the day. The pact, Mr. Howe said, would continue in force for three years. The approval of both countries would be needed for any extension. Ratification would be due to 90 days, during which interval there would be opportunity for debate on the subject in Parliament.

The agreement, Mr. Howe stated, was set forth in five documents, as follows:

"The first of these documents makes provision for the exchange of most-favoured-nation treatment along lines similar to existing agreements with various other countries... It recognizes that either Government may apply prohibitions or restrictions of any kind for the protection of its essential security interests...."

"The second document is a letter from the Canadian Government reserving the right to establish values for ordinary and special import duty on any Russian product that might enter Canada in such increased quantities as to cause serious injury to domestic producers."

"The third document is a letter from the Government of the U.S.S.R., acknowledging the Canadian letter on customs valuation."

"The fourth of the five documents forming the agreement is a letter by which the Government of the U.S.S.R. guarantees to purchase and take delivery from Canada, during the three years of the agreement, of a total between 1,200,000 and 1,500,000 tons of wheat, in annual lots of between 400,000 and 500,000 tons. The exact amounts to be purchased in the second and third years, within these annual amounts, will be determined by the Government of the U.S.S.R., taking into account the volume of Soviet goods sold to Canada. The total over the three years, however, will amount to not less than 400,000 tons. The Russian purchases of wheat are to be made at the prices and on the terms at which the Canadian Wheat Board is making sales to its major customers at such times as the Soviet purchases take place."

"The fifth document is a letter from the Canadian Government, acknowledging the letter from the Government of the U.S.S.R. on wheat."

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NEW PERUVIAN AMBASSADOR: On February 23, His Excellency José V. Larraubure Price presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Peru to Canada. Mr. Larraubure has served in France, Panama, Ecuador, Uruguay, and has held several important posts in the Peruvian Foreign Ministry. Before his appointment to Canada, he was Minister to Switzerland and Austria.



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THE SEAWAY - INDUSTRY AND SHIPPING

BIGGER OUTPUT, BIGGER CARGOES. Transport Minister George C. Marler recently told the Canadian Weekly Newspaper Association, in annual convention at Montreal, that, while no one could foretell "precisely what effect the Seaway will have on the shipping pattern on the Great Lakes and on the St. Lawrence River", he anticipated certain definite changes in the movement of grain and iron ore and changes in the type of vessels. He predicted that the "laker" that could carry some 800,000 bushels of grain or 20,000 tons of cargo at a time would supersede the present 90,000 bushels "canallers", although the latter vessels would still be used to service "industrial establishments located on our 14-foot canals at Cornwall or in the Lachine Canal section of Montreal Metropolitan area."

Mr. Marler quoted leaders in the steel industry as having expressed the opinion that there would be an increase of some 60,000,000 tons in steel-making capacity within the next 15 years. He added that, if the expansion in U.S. steel production takes place according to prediction, there will be a substantial increase in the volume of iron ore shipped from Seven Islands and moved over the Seaway. He noted that "it seems likely that iron ore will be the most important single item of traffic on the Seaway."

Indicating the increase in direct overseas traffic with lake ports, Mr. Marler quoted figures to show that in the past six years the traffic out of the port of Toronto had increased from two lines with eight ships

to twenty lines with 110 ships in operation. These ships had, in 1955, brought imports into Toronto from 54 overseas ports in 19 different countries and transported exports to 44 ports in 19 countries.

Mr. Marler said that a recent announcement by the United States Maritime Administration "had declared the route between the U.S. lake ports and the Atlantic ports of Western Europe to be essential to the trade and economy of the United States." This, he added, "will make available to operators of ships on U.S. registry used over this route an operating subsidy which will make U.S. shipping competitive with other shipping which operates at much lower costs." Mr. Marler said that no Canadian vessels were at present operating over this route.

In describing the geography of the Seaway Mr. Marler cited the following transportation facts: that Port Arthur and Fort William handled approximately 55 per cent of Canada's annual wheat crop; that in some years approximately half of the grain shipped from the Lakehead was unloaded at Georgian Bay or elsewhere on the Lakes and hauled by rail to Lower St. Lawrence Ports; and that only 11 of the 28 miles of the Welland Ship Canal still remained to be dredged from its 25-foot depth to the Seaway requirements of 27 feet.

After the Seaway was built and the movement of grain from the Lakehead to Montreal or other Lower St. Lawrence ports without transhipment at any intermediate point became

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THE SEAWAY - INDUSTRY AND SHIPPING*(Continued from p. 1)*

feasible, Mr. Marler said, he expected "a reduction in the cost of the present movement of grain." This, he added, had been estimated at around five cents per bushel.

A greater movement of iron ore up the Seaway could also lead to further reduction in the cost of water transport, Mr. Marler said. He could foresee that iron-ore carriers from Seven Islands to Lake Erie ports "might seek back-haul cargoes and might well find it advantageous to clean ship and pick up grain, either at the Lakehead or at say Port Colborne, for movement to the Lower St. Lawrence ports."

This would bring about "a better balance of upbound and downbound cargoes, and an alleviation of Great Lakes shipping shortages during the grain shipping season."

* * * *

PUBLIC LIBRARY EXPANSION: Public libraries in Canada reported a general expansion in 1953 in all phases of their activity over 1951, according to the latest biennial survey of libraries released by the Dominion Bureau of Statistics. The number of volumes on library shelves rose 10.8 per cent to 8,405,375 from 7,584,256; circulation 22.6 per cent to 30,946,730 volumes from 25,240,630; borrowers by 20.2 per cent to 1,671,942 from 1,391,066.

The survey includes information on 765 public libraries (free, association and regional), 9 open-shelf (mail order) and travelling libraries, 268 university and college libraries and 131 business, professional and technical society libraries for the calendar year 1953, and 102 federal and 99 provincial government libraries for the fiscal year ending March 31, 1954. All these libraries together contained 20,651,411 volumes.

An estimated 55 per cent of the total Canadian population (from 23 per cent in New Brunswick to 100 per cent in Prince Edward Island) had public library service. Twenty-one per cent of the population receiving library service consisted of registered borrowers.

Public library current expenditures in 1953 for all Canada amounted to a per capita rate of 53 cents. The rate varied from 11 cents in New Brunswick to 93 cents in British Columbia.

* * * *

ENVOY OF ARGENTINA: On February 17, His Excellency Carlos L. Torriani presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Argentina to Canada. The Ambassador was accompanied by Dr. Gabriel Galvez, Counsellor, Dr. Carlos A. Walker, Third Secretary, and Dr. Teresa H.I. Flouret, Third Secretary.

ONTARIO'S ECONOMIC DEVELOPMENT: The submission of the Ontario Government to the Royal Commission on Canada's Economic Prospects was presented on January 26 by Premier Leslie Frost at a sitting of the Commission in Toronto. The submission contains the official Ontario views on the economic prospects of the province, the promises of the future, its problems and the steps that will be taken, or should be, to solve these problems.

The 184-page document, complete with charts and tables, deals with the various problems which the Royal Commission was assigned to study by the Federal Government. After reviewing the principal factors in Ontario's social and economic development, and describing its spectacular population growth and industrial expansion up to now, the submission gives consideration to some of the problems resulting from this growth and to those which future growth will bring along.

Rapid development for Ontario in all fields of economy is definitely foreseen, however, and its present predominance over all provinces in the realm of manufacturing should be maintained. Far from envisioning a recession, the submission states: "The main problems of the future are likely to be created by growth."

INDUSTRIAL HEARTLAND

The submission then goes on to show that southern Ontario is already established as Canada's major industrial area and that it is of the utmost importance to the whole of Canada that it should prosper and develop.

Before outlining the nature and dimensions of the Ontario Government's share in building up the country's greatest manufacturing region, the submission considers the more important features of the general structure of Ontario's economy.

Ontario has about one-third of the country's population and 37 per cent of its labour force. It has maintained these approximate percentages ever since Canada assumed its present form with the settlement of the Prairies; neither prosperity nor depression nor war has changed this relationship, though the proportions living in each of the other provinces have changed considerably. Fifteen to twenty years ago, the province's population was growing at an average rate of 40,000 per year. Recently, the average annual increase has been about 150,000. For several years, it has reached 3 per cent per annum - a rate of population growth exceeding that of the rest of Canada and nearly double that of the United States. Ontario has added 1.2 million people to its population in the last ten years; it is now a province of 5½ million and it will likely cross the 6 million mark in the early 1960's. Regional distribution shows heavy predominance in favour of urban industrial centres of the southern areas.



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WINNING THE BATTLE AGAINST POLIO

SALK VACCINE WORKS: In a reply tabled in the House of Commons on February 9, the Minister of National Health and Welfare, Mr. Martin, made the following statement on the result of the past year's tests of Salk vaccine in Canada:

"The use of the Salk vaccine in Canada during 1955 was the most ambitious mass immunization programme ever undertaken in this country. It also provided an opportunity for carrying out a nation-wide epidemiological study, the results of which have demonstrated the safety and effectiveness of the vaccine as an immunizing agent. In addition, the whole programme offered an outstanding example of co-operation between federal, provincial and local health authorities and served to bring home to the people of Canada in dramatic fashion the value of public health activities generally.

"In co-operation with the health authorities in the ten provinces, the Epidemiology Division of the Department of National Health and Welfare has undertaken a careful survey of polio in Canada last year, particularly among the age groups five to ten, where the use of the vaccine was largely concentrated. As early as last May, a meeting was called in Ottawa with the provincial Directors of Communicable Disease Control and a uniform system for reporting polio and assessing the vaccine's effectiveness was devised. For the purpose of this study, polio was classified as 'paralytic'

in all cases where there was evidence of some muscle weakness extending over a period of more than 24 hours.

"With regard to safety, among all the children in Canada who received one or more injections of the vaccine, not one case of polio-myelitis occurred within 30 days of its administration. This is the interval during which polio, if caused by vaccine, might be expected to develop. In further confirmation of the safety factor, within the study group described below, only five cases of paralytic polio were reported in nearly 600,000 vaccinated children. In each of these cases, symptoms of polio first occurred at least two months following the inoculations, clearly indicating that the vaccine could not have been responsible for the infection. In other words, these five children contracted polio in spite of, and not because of, the vaccine.

"As to the effectiveness of the vaccine, a careful epidemiological study was carried out during a pre-determined period of observation-July 1st to November 30th inclusive. The study involved nearly 1,500,000 children in the age groups five to ten, including about 600,000 who received two or more inoculations prior to July 1st, and slightly less than 900,000 in comparable age groups who did not receive the vaccine. Among those not included in this study are the substantial numbers of children

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WINNING THE BATTLE AGAINST POLIO

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under the age of five who received the vaccine. Other vaccinated children were excluded for a variety of reasons, for example, those who received only one injection, children vaccinated since July 1st, and those living in isolated areas where it is difficult to gather complete epidemiological data.

"...It will be noted that, for all Canada, among 589,716 children ranging in age from five to ten who received two or more doses of vaccine, five cases of paralytic polio occurred during the period of study, or a rate of 0.84 per 100,000. Among some 885,000 unvaccinated children in comparable age groups, 51 cases of paralytic polio were reported, or an observed rate of 5.76 per 100,000. On the basis of these figures, an observed reduction in rate of about 85 per cent may be calculated.

"To assess the significance of these findings, it is necessary to examine the results from the individual provinces. In three provinces - Manitoba, Saskatchewan and Newfoundland - there were no cases reported among either the vaccinated or unvaccinated children in the age groups specified. This is probably explained by the generally low incidence in these three provinces where there were only 45 paralytic cases in the entire population as against a five-year average of 624.

B.C. SURVEY

"The most significant feature of the entire study is the result reported from British Columbia. Despite the fact that more cases were reported in British Columbia than any other province, there was not a single case of paralytic polio among 45,067 vaccinated children in the study group. As opposed to this, ten cases were reported among the 12,488 unvaccinated group. On the basis of these figures, if the rate among the unvaccinated children were applied to the number of vaccinated children in the study group, it might be calculated that some 36 cases would have occurred; instead, there was not a single case among the children receiving the vaccine.

"Because of the small number of cases reported among the study group, the results of the evaluation are not considered statistically significant in provinces other than British Columbia, when examined individually. The figures for Prince Edward Island and Nova Scotia, if taken together, however, are statistically significant. Considering these two provinces together on the basis of geographic proximity and the relatively high incidence of polio in each in relation to the five-year average, it will be observed that, among 20,406 vaccinated children, there were no cases reported, while among 52,089 unvaccinated children there were 13 cases or a rate of 24.95 per 100,000.

"Thus, in those provinces - British Columbia, Prince Edward Island and Nova Scotia - where polio struck with severity roughly comparable to the annual average over the past five years, the Salk vaccine achieved significant results in preventing paralytic polio. In these three provinces, no cases were reported among 65,473 children aged five to ten who received two or more injections of the vaccine. On the other hand, among approximately the same number of children (64,577) in comparable age groups, no less than 23 cases were reported. These results clearly demonstrate the effectiveness of the Salk vaccine as a preventive against paralysis from polio-myelitis."

* * *

SCHOOL FOR FISHERMEN: Thirty British Columbia fishermen will go back to school for two weeks in March when the second fisheries short course will be held at the University of British Columbia in Vancouver.

The course, which was initiated last year under a grant from the federal Department of Fisheries, aims to broaden the knowledge of practising fishermen beyond their specialized branch. Fishermen will be brought up to date on latest fisheries information and fishing methods, and will be given lectures on fisheries biology, legal problems of the fishing industry and fisheries conservation. Cooperation between fishermen and government investigators in research and conservation programmes will be a major objective. Graduates from the school are expected to pass on to other fishermen in their areas any information gained from the course.

* * *

CRUDE PETROLEUM TOPS RECORDS: Gross value of production in Canada's crude petroleum industry topped all previous records in 1954, rising to a new peak total of \$247,854,000. This was more than one-fifth larger than the 1953 value of \$204,481,000, and four times as large as 1949's \$61,091,000.

In 1954 Alberta had 5,541 active wells and gross value of production of \$232,325,165 versus 5,020 wells and a production value of \$197,686,004 in 1953. Number of wells in Saskatchewan was 1,252 (895 in 1953); Ontario, 1,392 (1,423); Manitoba, 325 (114); and the Northwest Territories, 25 (28).

* * *

PRIMARY STEEL SHAPES UP: Shipments of primary shapes by Canadian steel mills, exclusive of producers' interchange, soared to 341,181 net tons in October from 211,310 a year earlier and to 2,992,988 tons in the January-October period from 2,151,569. Producers' interchange rose to 133,088 tons in October from 103,817 and to 1,363,906 tons in the ten months from 1,067,619.

TRANSPORT HEADS MEET ON CIVIL DEFENCE: The eighth meeting of the Civil Defence Transportation Advisory Committee was held in Ottawa on Wednesday, February 15, under the chairmanship of H.B. Chase, C.B.E., Commissioner of the Board of Transport Commissioners for Canada.

Ranking heads from all main transportation agencies of Canada were in attendance - representatives of rail, air and marine transportation, as well as the Department of Transport and the Air Transport Board. F.F. Worthington, co-ordinator for federal Civil Defence, and G.H. Hatton, his deputy, were the chief speakers.

Among the topics up for consideration were the authority and function of the Department of Transport in the event of emergency; the plans of the railway companies in respect to mobilization and operation of equipment to evacuate people from target cities; the use of commercial and private aircraft in the event of an emergency; the use of shipping, trucking and bus-coach facilities in relation to Civil Defence planning for evacuation, and the adequacy of existing highways in relation to Civil Defence necessities.

* * * *

NEW URANIUM REGION MAPPED: A geological report on the Montreal River Area, in the district of Algoma, on the east shore of Lake Superior about 70 miles north of Sault Ste. Marie, has been completed and is now ready for distribution by the Ontario Department of Mines. The region has often been referred to as the "Alona Bay", "Theano Point", or "Montreal River Uranium" area.

Considerable interest in mining circles was created in September, 1948, when Robert Campbell discovered pitchblende on Theano Point. An extensive staking rush resulted, in which about 2,000 claims were recorded.

Included with the report is a key map showing the location of the area, geological sketch maps of the Breton showing, the Cam-ray Prospecting Syndicate property, the La Bine-McCarthy showing, and also a coloured geological map of the area on a scale of one inch to half a mile.

The report will be incorporated as Part 3 of Volume 64 of the Annual Report of the Department of Mines for 1955.

* * * *

PRICE INDEX STEADY: Canada's consumer price index remained practically unchanged between December 1 and January 3, moving from 116.9 to 116.8. This was the fifth successive month in which the total index has shown almost no movement. On January 3, 1955, the index stood at 116.4. Current decreases in the food and household operation indexes were sufficient to more than offset upward movements in the shelter, clothing and "other" commodities and services indexes.

FEDERAL APPROVAL ONTARIO CD PROJECT: Under the co-operative civil defence financial assistance agreement between the Federal Government and Ontario, a provincial project that will cost \$200,411.50 has been approved by the Honourable Paul Martin, Minister of National Health and Welfare and federal Cabinet Minister responsible for civil defence. This constitutes the largest single grant to date in support of provincial civil defence measures in Canada.

Under the federal Financial Assistance Programme for civil defence, it was mutually agreed in February, 1955, that all expenditures for civil defence in the province of Ontario would be shared on a 50-50 basis between the Federal Government and the province. Under this arrangement, the federal contribution to the provincial expenditure will be \$100,220.75. In like manner, federal and provincial financial aid for civil defence is made available to municipal civil defence organizations with the Federal Government assuming 50 per cent of the cost, the provincial government 25 per cent and the municipal government 25 per cent. In this particular instance, the provincial expenditure is for the fiscal year ending March 31, 1956.

FIRST TIME

While the Ontario provincial government has been assisting the municipalities in the setting up of their civil defence programmes, this is the first time that funds have been authorized specifically for a civil defence organization in and for the province of Ontario. Major expenditures in the provincial project are \$66,191.50 for personal services, \$88,800 for equipment, \$18,000 for travel, \$12,500 for supplies and materials, \$6,750 for utility services and \$8,200 for miscellaneous expenditures.

Specific items of expenditure in the provincial project include the purchase of four vehicles at a cost of \$14,000, the purchase of nine sets of radio transmitters, receivers and generators at a cost of \$19,800 and the training and equipping of 700 provincial auxiliary police at a cost of \$32,000. An item of \$1,500 is also provided for the designing, drafting and planning of a provincial civil defence control centre, which has a tentative estimate of \$80,000.

Commenting on the provincial civil defence programme, Mr. Martin stated: "The growth of civil defence in the province of Ontario has been remarkable during the past few months, as is indicated in the magnitude of their project for this year. Throughout Canada, the civil defence effort has been snowballing and now this constant spade-work is beginning to show results. This Ontario project is the largest in all such civil defence operations and is indicative of the very definite interest that these provincial authorities have in the present and future safety of the citizens under their care".

LABRADOR ON ICE SURVEY: The Arctic patrol vessel HMCS Labrador sailed from Halifax on February 21 to launch Canada's first full-scale survey of ice conditions in the Gulf of St. Lawrence.

The Labrador, which returned last November from DEW line operations in the far north, is carrying scientists from the Defence Research Board, which is co-ordinating the survey, and from the Atlantic Oceanographic Group, of St. Andrews, New Brunswick. Other agencies participating in the survey are the Fleet Weather Service of the Royal Canadian Navy and aircraft of the RCAF's Maritime Command at Greenwood, Nova Scotia.

This year's operation is the first co-ordinated mid-winter survey of ice, oceanographic and meteorological conditions in the Gulf area. From such studies, scientists hope eventually to be able to predict ice conditions months in advance.

The object of the studies is an attempt to develop an ice-forecasting system similar to that used in the Baltic, to facilitate year-round navigation in the Gulf, with or without the use of icebreakers.

The need for all-year navigation in these waters has been emphasized by the increasing number of large mining developments in the area, including the copper smelter at Mont Louis, iron ore docks at Seven Islands, titanium at Harbour Pierre and the base metals developments at Bathurst, New Brunswick.

During the Labrador's operations, which will last approximately three weeks, oceanographic stations will be set up, ice concentrations plotted, both from the sea and the air, and meteorological studies carried out from points ashore. All the information collected will be made available to Royal Canadian Navy meteorological experts and to the Atlantic Oceanographic Group for further recommendations.

* * * *

GREAT SLAVE FISHERIES: A cold November, followed by a much colder December, enabled fishermen on Great Slave Lake to set their nets at an earlier date than usual, which resulted in a production for December almost double that for the corresponding month of 1954. During December, 1955, a total of 576,-437 pounds of all species was shipped by the seven companies engaged in winter fishing at Hay River, N.W.T. Of this amount 461,938 pounds consisted of fresh and frozen white-fish, dressed and round. In December, 1954, there was a total of 251,228 pounds of white-fish.

Toronto had the largest number of printing trade establishments in Canada in 1953 with 744. Montreal had 624, Vancouver 219, Winnipeg 181, Ottawa 105, Quebec 99, Hamilton 76, Calgary 71, Edmonton 64 and London 51.

TRANSPORT PROGRESS OUTLINED: Canadian National Railway's branch line construction in the Province of Quebec since its inception in 1921 has been impressive in joining outlying districts, Transport Minister George C. Marler said on February 16. Construction of these projects was justified by existing traffic or potential traffic, said the Minister, or where government financial assistance was considered in the interest of the country.

Referring to other Department of Transport developments, Mr. Marler pointed out that three departmental vessels were now under construction in Quebec shipyards - an icebreaker to cost around \$2,500,000, a lighthouse and buoy tender to cost \$1,200,000 and a lightship to cost \$700,000. He pointed out that icebreaking operations were not limited to the work carried out by departmental ships in the Hudson Strait and Hudson Bay to facilitate navigation to the port of Churchill, and the operations by departmental convoy to re-supply the five joint Canadian-U.S. Arctic weather stations.

Mr. Marler reported on the progress of the work being undertaken in the Lake St. Francis, Soulange and Lachine sections by the St. Lawrence Seaway Authority, and also of construction of terminal buildings at departmental airports and of the headquarters building of the Canadian Overseas Telecommunication Corporation, a Crown company. He predicted that the new terminal building being constructed at Montreal airport would be one of the most beautiful in Canada. A contract has been let for the construction of the new Quebec airport building and the new building at Seven Islands would soon be ready for opening.

* * * *

CANADIAN COLOMBO APPOINTEE: The Colombo Plan Council for Technical Co-operation in session at Colombo, Ceylon, has elected a Canadian, Dr. Nathan Keyfitz, as Director of the Council's Bureau for Technical Co-operation. Dr. Keyfitz will take up his appointment in April. He will succeed an Australian, Dr. P.W. Curtin, who has been the Director during the past two years.

Dr. Keyfitz is at present with the Dominion Bureau of Statistics, where he is the Senior Research Statistician. Under United Nations auspices, Dr. Keyfitz was in Burma in 1951 as an Advisor on the Burmese Census and was associated with the National Planning Bureau of Indonesia in 1953 and 1954. He has recently published a technical book in the Indonesian language.

Dr. Keyfitz joined the Dominion Bureau of Statistics in 1936 and was appointed the Senior Research Statistician in 1950. Dr. Keyfitz will represent the Council's Bureau for Technical Co-operation at the Colombo Plan Council Committee Meeting in New Zealand next autumn.



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MR. EDEN ADDRESSES CANADIAN PARLIAMENT

INTERNATIONAL BALANCE SHEET: "It is now thirty years since I first came to Canada..." said Sir Anthony Eden, Prime Minister of the United Kingdom, in his address to the House of Commons and Senate on February 6. "On many occasions since then I have had opportunities to visit your vast and hospitable land." Sir Anthony went on to recall the visit he had made to Canada during the Second World War. "Then, though the tide had turned, victory had yet to be won and the future beyond it lay all uncertain. He would still be a rash man or an ill-informed one who would attempt a confident prophecy for mankind today." Nevertheless, Mr. Eden continued, "there is a certain balance-sheet of good and evil which we can draw up today. I propose to do so, and to begin with the good.

The rest of his speech follows:

"First, the unity and spirit of our Commonwealth of nations. Second, the unshakeable strength of the Anglo-American alliance, in which we all join. Third, the growing unity of Western Europe within the framework of NATO. Fourth, the deterrent power of the new weapons, including the hydrogen bomb, which restrain where they cannot reform. Fifth, the growing understanding by the West of the threat of Communist penetration which it has to meet, and of the new methods which we will have to employ.

"And on the debit side I would cite: First, the increasing hazards which some are prepared to take. Second the dangers of aggression by countries which believe they can ignore the deterrent. Third, the continued existence of local disputes, whose consequences could engulf the world. Fourth, the daily Communist call to abhor the West sounds sharply. In contrast, the steady effort of the West to raise the standard of life for all free peoples must take time. It is easier to spread hatred than to make two blades of grass grow where one grew before.

"It is with this balance of good and evil in mind that we have to prepare ourselves. Economic weapons may take the place of military ones. But always our purpose must be the same: to maintain the right that men's minds may be free and the care that their bellies be filled. To achieve this free nations, like free men, must draw and hold together.

"It is in the spirit of these reflections that I would like to make some comments on the recent conversations which I have held in Washington with President Eisenhower. I can best sum up my impressions of these talks by saying that there has never been so full a measure of agreement between our governments.

"In the whole field of European policy there was no difference between us. You will have noticed the attempts by the Kremlin to

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MR. EDEN ADDRESSES CANADIAN PARLIAMENT

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obscure the issues and confuse our councils. In fact they only provided an opportunity to underline the unity between the United States and ourselves.

"Much of our meeting was devoted to the difficult and critical problems of the Middle East. Here too we were in agreement that the first danger was the continuing Arab-Israel dispute. We were also in agreement as to what we should do to try to resolve it.

"We decided that the necessary treatment should be of three kinds. We should continue to work, without publicity, and by every means to bring about a settlement in that area. This can only be realized if both sides are prepared to reconcile the positions they have taken up to now. That means a compromise. But we can both help, and are ready to do so, for example, by financial help to settle the refugee problem, and by a guarantee of the agreed frontiers.

PALESTINE SITUATION

"Meanwhile, we have our responsibilities under the Tripartite Declaration of 1950. We arranged for discussions on the action to be taken to meet an emergency should it arise. The French Government have agreed to join us in this. Personally, I am convinced that to make ready in this way, is to reduce the risk of conflict.

"It may also be that a strengthening of the UN Truce Supervisory Organization would assist to prevent incidents. Both the United Kingdom and the United States Governments are very ready to agree to this. But of course we should wish to be guided by General Burns, who is so resolutely carrying out his thankless task.

"As regards the dispute which we have with Saudi Arabia over Buraimi, our position is this. We are not prepared to return to arbitration. There can be no question of that in view of our recent experiences of their bribery and corruption. On the other hand, as we made clear in Washington, we are ready to enter into direct discussions.

"The United States Government has declared its solid support for the Bagdad Pact, to which we belong. This again we welcome and here again our views are alike. The Pact has economic purposes and aims which fully match its military provisions and importance. We have considered the kind of help which each member country needs and we are determined to make a success of the Pact.

"All this does not exclude some help to other countries in the area. An example is Jordan to whom we shall continue to make substantial payments under our Treaty.

"So much for what is perhaps the most critical region at the present time. Of course, we talked of many other problems, in many parts

of the world, and we discussed the Declaration of Washington, which the President and I issued together. In this we set forth the true principles which guide the free world. Some say that these have been stated before. Maybe, but it does no harm to state them again, in a manner which makes it clear that we are aware of the modern Communist challenge. The Declaration of Washington is, in fact, a charter to which the whole of the free world can subscribe. I am sure that here in Canada you will agree with its purpose. It is in the tradition of the work you have done so well to unite the countries on either side of the Atlantic in defence of the free world.

"...I now come back to our own friendship and the work of our two peoples together. Many speakers and writers have tried to define the Commonwealth. None has really succeeded, for the reason, no doubt, that the spirit which gives it life is indefinable.

"In a few months' time, I look forward to welcoming the Prime Ministers of the Commonwealth to our London meeting. Foremost amongst them is your own Prime Minister, wisest of counsellors and most loyal of friends. May I here suggest that though we enjoy being the hosts to all these meetings of Prime Ministers, it would be good if, from time to time, the meeting place were to revolve.

COMMONWEALTH SOLIDARITY

"...I am here this afternoon surrounded by the familiar setting of our own House of Commons. This morning, Prime Minister, you were good enough to invite me and the Foreign Secretary to attend the Canadian Cabinet. Our systems, our modes of thought, our traditions, and our ways of life are all so much alike. Anglo-Canadian relations are a model to the world.

"But there is more to it than all this. The pervading influence which the Commonwealth carries into the four corners of the earth is one of understanding among friends, of tolerance and of peace.

"In all this work Canada now plays a leading part. It is impossible to travel, as I had to do as Foreign Secretary until a year ago, into so many lands without constantly hearing warm praise of the judgment and kindly help you have so often extended to 'less happier lands'. The service that you are rendering in Indochina at this hour is but one example of the world's debt to you. By this action alone you made possible an armistice which may yet become a peace.

"And so...I thank you, I salute this great Canada, commanding in opportunity, a standard bearer in loyalty and a herald of good-will. And I wish you well."

The value of factory shipments of manicure preparations jumped to \$911,000 in 1954 from \$637,000 in 1953.

METAL SNOWSHOES TESTED: So successful have been tests on a light and strong magnesium snowshoe designed and developed by the Directorate of Inter-service Development that word has spread through the north country and several queries have been received from Indians and trappers asking where they could be secured.

Actually the snowshoe is still undergoing tests and trials but it has performed so well that the Directorate of Inter-service Development has recommended it for Army adoption.

Snowshoes, a most necessary item for troops in northern Canada, have always been a problem for the Army. The familiar wooden type deteriorates badly in storage and the need for replacements has always been great through warping and breakage.

Development of the new snowshoe commenced some time ago. Since then some pairs have carried testing soldiers over 1,000 miles of rough trials and still remain in first-class condition. The new snowshoe is made of a magnesium frame and stringed with aircraft fine cable steel encased in nylon.

The new snowshoes are light in weight (less than half that of the old type) and are corrosion, rot and moisture proof. No matter where stored they will not warp nor will the strings relax under adverse weather conditions.

Their durability is many times that of the standard wooden snowshoe and breakage in the field has been reduced to a very low figure. Another obvious advantage in this country is that when not in use the magnesium snowshoes may be left upright in snow; standard shoes must be hung from trees out of reach of Arctic rodents.

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POPULATION AT START OF YEAR: Canada's population on January 1 totalled 15,818,000, according to a special estimate by the Bureau of Statistics to meet a widespread demand for figures at the first of the year. During December the population increased 26,000 from the estimated 15,792,000 shown in the regular quarterly estimate for last December 1.

The total for January 1 shows an increase of 181,000 in the six months from July 1 last year, for which a similar extra estimate is made. This gain compares with increases of 198,000 in the first half of last year and 203,000 in the second half of 1954. During the calendar year 1955 the population thus increased by an estimated 379,000. Estimated increases for the two previous years were 404,000 in 1954 and 386,000 in 1953.

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ENVOY OF COSTA RICA: On February 2, His Excellency Humberto Pacheco presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Costa Rica to Canada. Mr. Pacheco is the first diplomatic representative of Costa Rica to Canada.

FIFTH FLUORIDATION REPORT: A dramatic decrease in the incidence of tooth decay among children native to Brantford, Ontario, is indicated in the 1955 report on the dental effects of water fluoridation issued by the Department of National Health and Welfare. In two other Ontario cities - Sarnia and Stratford, which served as controls in the study - the decay rate has remained about the same or increased somewhat.

The report noted that children born in Brantford since fluoridation began in June, 1945, now have teeth that are as resistant to decay as those of the corresponding age groups in Stratford, where the water has been naturally fluoridated for the past thirty-eight years by passage through an underground deposit of fluoride. (The Brantford water contains only 1.2 parts per million while that of Stratford contains 1.6 parts per million.)

Noticeably, no ill-effects have been reported by the health authorities or by the medical and dental professions of either Brantford or Stratford, according to the 1955 report on fluoridation.

The report concludes that there no longer remains any reason to doubt that where the fluoride level of fluoride-deficient water supplies is raised to about 1 part per million by the mechanical addition of fluoride the incidence of tooth decay will be reduced by two thirds.

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HEADQUARTERS FOR OVERSEAS TELEPHONE: With the trans-Atlantic telephone cable between Canada and the United Kingdom scheduled to begin operations in 1956, Transport Minister George C. Marler announced recently that the new Montreal head office building of the Canadian Overseas Telecommunication Corporation, a Crown Company, would be completed later this year.

"We must look to the future and ensure that while obtaining permanence of location we have sufficient space for the expansion of Canada's overseas communications to keep pace with the growth of the country," Mr. Marler said. The circuits in the cable attributed to the COTC ought to take care of Canada's trans-Atlantic telephone requirements for a good many years and some nine new telegraph circuits, capable at working 60 words a minute, will be available to Canada.

"Present techniques do not render it economically feasible to carry television across the Atlantic by cable", Mr. Marler said; but the new cable will carry broadcast programmes, still pictures and messages. He added that the COTC was planning to introduce a system on these circuits that would enable the user in Canada to teletype his own messages directly from his own office into the office of his correspondent in the United Kingdom.

CARS IN COLD CLIMATES: Motorists who live in "balmy" southern Canada should never have difficulty starting their cars in winter, says Captain H.W. House of Ottawa. Captain House should know--his job at Fort Churchill is to direct vehicle-testing operations.

No matter how low the temperature (actually, the colder the better), Captain House and his crew drive wheeled and over-snow vehicles over the tundra or along bumpy Churchill trails. All vehicles being tested are standard--that is, not specially adopted or modified for use in the Arctic.

Tests have proved that any vehicle kept in first-class condition with batteries fully charged will start in the coldest Churchill weather. Several times this winter the drivers have started out when the mercury was close to the 50-below mark.

During the four-month test period, vehicles are kept outside at all times. Many mornings they are found half hidden in drifted snow. Yet they seldom fail to start.

Captain House's advice to motorists: make sure batteries are charged and always release the clutch before attempting to start motors.

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GUIDE TO OUTDOOR VACATIONS: Those planning to head for outdoor Canada with rod, rifle or just a camera will find all the preparatory information they need in the 1956 edition of the Canadian National Railways booklet "Hunting, Fishing and Canoe Trips in Canada."

In its 136 pages, many of them illustrated, are concise details of abundant hunting and fishing localities in each province, together with names and addresses of camp owners or outfitters. Provincial fish and game regulations are summarized, and included is a list of game fish records, both world and Canadian.

Individual descriptions are given for no less than 45 canoe trips, offering both sport and scenery. The booklet is complete with milages to each area from the nearest large cities.

Copies of the publication may be obtained from A.P. Lait, Manager, Convention and Special Traffic Bureau, Canadian National Railways, Montreal, Quebec, or any CNR agent.

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PETROLEUM PRODUCT SALES: Net sales of petroleum products in August totalled 18,691,004 barrels, 13.5 per cent larger than July's; 16,-458,087 barrels. Net sales of motor gasoline amounted to 8,367,460 barrels (7,450,053 in July); heavy fuel oil, 3,519,613 barrels (3,-475,077); diesel fuel oil, 1,634,465 barrels (1,377,967); and light furnace oil, 1,603,116 barrels (1,041,058).

REVIEW OF FOREIGN TRADE: Canada's foreign trade in the first half of 1955 reached a new peacetime peak, according to the Review of Foreign Trade for the half-year recently released by the Dominion Bureau of Statistics. Exports in the period stood at \$2,063,000,000, and were exceeded only in 1952, when a record peacetime export value was achieved. Imports, at \$2,209,000,000, were greater than in any first half-year except 1953, when the highest peacetime level of imports were reached.

Both exports and imports were substantially higher than in the first half of 1954, exports by \$192,000,000 and imports by \$159,000,000. The export and import value gains were almost entirely attributable to a larger volume of trade and to only an insignificant extent to price changes. The volume of exports in the first half of 1955 was the largest for any peacetime first half-year - while both the value and volume of commodities other than grains surpassed the levels of any peacetime half-year period. The volume of imports was exceeded only in the first half of 1953.

The recovery of Canada's foreign trade during the first half of 1955 took place against the background of the most prosperous postwar period for the world economy as a whole. This development was reflected in a new peak of world trade, Canada accounting for 6 per cent of it. Particularly stimulating were the marked recovery in business activity both in Canada and the United States and the continuing boom in the United Kingdom and Western Europe. On the basis of the data at mid-year, it appeared that in the year 1955, as in 1954, the value of Canada's trade will be exceeded only by that of the United States, the United Kingdom and the Federal Republic of Germany, and that, on a per capita basis, Canada will rank second only to New Zealand.

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CONFERENCE ON SCIENCE IN DEFENCE: Collaboration throughout the British Commonwealth in the application of science to military affairs is the theme at the Commonwealth Advisory Committee on Defence Science that opened on February 6 and will continue, in Ottawa, Toronto and Fort Churchill, until February 22. About 100 senior defence scientists and senior service officers of Commonwealth countries are participating in the series of closed sessions.

The conference is designed to provide leading scientists and military representatives with opportunities to meet and to exchange views on matters of current defence importance. Many of the delegates are expected to visit scientific and service establishments as well as some industrial plants in the central part of Canada.

ANGLO-CANADIAN COUNCIL TABLE AGREEMENT

ADDRESS BY SELWYN LLOYD: The recent consultation in Washington between President Eisenhower and Prime Minister Eden showed "that the United States and the United Kingdom are closer together today...than at any time before in peacetime," Mr. Selwyn Lloyd, United Kingdom Secretary of State for Foreign Affairs, told a luncheon meeting of the Ottawa branch of the Women's Canadian Club on February 6. "That is a fine thing," Mr. Lloyd went on. "But it is also true that our two countries of the Commonwealth...are in closer agreement upon external affairs than any other two countries in the free world today." His elaboration of this statement follows in part:

"What are the main elements in that agreement? First of all there is our support of the United Nations. We believe that the only way to attain lasting peace in the world is to build up a world organization endowed with the necessary authority to preserve peace and to maintain the rule of law in the world. The United Nations is not yet in that position but it has only been in existence for ten years. We have to keep a sense of perspective. It took centuries to endow the central government in the United Kingdom with the necessary authority to preserve law and order. Important institutions take a long time to evolve.

UN ACHIEVEMENTS

"The United Nations has already considerable achievements to its credit. The action in Korea against the aggressor was a sharp warning. There is a fair chance that it may prevent a similar aggression in our time. The United Nations has done good work in mediation and in avoiding disputes being settled by force.

"Whatever anxieties we may have about the situation in the Middle East it would certainly be worse if the United Nations Truce Supervisory Organization, under the wise leadership of my friend and your fellow Canadian General Burns were not in existence....

"Therefore support of the United Nations is a fundamental point of unity in the foreign policies of our two countries. Unfortunately, however, we do not live in a world free from the threat of war or one in which our thoughts can be devoted solely to peace....

"The stark truth was borne in upon us that the hopes of the West for peace and for the survival of free institutions depended upon our strength. The lesson was learned, the hard way, that those who try to negotiate with Communist countries from weakness have little prospect of holding their own, just as the sheepdogs are unlikely to have a profitable negotiation with the wolf....

"But we must not forget that our safety lies in the fact that the Communists know that military attack upon the West will be met by devastating retaliation. That is the supreme deterrent and that it is that preserves the free world from global war at the present time. But that deterrent is not sufficient just by itself.

"...The support of the United Nations, possession of the nuclear deterrent, and the existence of defensive alliances are not of themselves enough. The struggle continues all the time between two quite different philosophies or ideologies. You in Canada, your neighbours in the United States and we in Britain, have largely similar conceptions of liberty. We believe in the same sort of freedom of speech, of worship, of association: freedom to write, to preach, and to think as we wish. We believe in the dignity and the value of every human being and in the worth of individual rights. We believe in a free society but in the rule of law. We believe that there is a higher destiny for men and women than just to be cogs in an omnipotent state machine. We share together a broad, tolerant and democratic outlook, which has been evolved through the generations....

POVERTY VS. LIBERTY

"There are the two faiths. What we have to remember, however, is that there are many millions of people on this side of the Iron Curtain living in such physical conditions that they cannot make a fair choice between the two - people who have been born into the direst poverty - people who have lived their lives and seen their children grow up in conditions just above the starvation limit, with little or nothing to look forward to. You cannot expect them to be very attracted by the sophisticated freedoms of the West. The materialism of the East may make a greater appeal.

"...Therefore, in addition to any military threat, Communism is trying to erode the free world in other ways. It is on the march, ideologically, seeking to infiltrate, to subvert, to destroy, to use legitimate nationalist aspirations and ordinary discontents to disrupt and to overthrow....

"The West must meet this challenge, not just by military measures, not just by reaffirmation of its belief in certain freedoms. We have got to make an all-out effort to create in the under-developed countries conditions in which men and women will have an interest in liberty, stability and progress....

"Canada and Britain are also partners in the Colombo Plan and we both support the Specialized Agencies of the United Nations. We must continue to expand these efforts....

ANGLO-CANADIAN COUNCIL TABLE AGREEMENT

(Continued from p. 5)

"The Soviet tries to pose as the great champion of independence for countries. How much independence is there in fact in any of the satellites? If at the United Nations, Canada and Britain disagree, we vote as we each think right, even though we are members of the same Commonwealth. Who has ever seen Poland or Czechoslovakia daring to disagree publicly or to vote differently from Big Brother?..."

"One of the techniques being used at present by the Communists is the attack upon colonialism. The United Kingdom and the North American continent have not always seen eye to eye about colonialism. But on present developments in the British Empire I should not have thought there was any room for disagreement. Her Majesty The Queen is at present in Nigeria with its population of thirty millions, governed by African legislatures, with African ministers, proceeding towards complete self-government. The same is the position in the Gold Coast. From Malaya and Singapore there have recently come to London freely elected Prime Ministers to discuss constitutional developments. The present Government of Malta, freely elected, is seeking closer association with the United Kingdom...."

COLONIAL GROWTH MISUNDERSTOOD

"Mr. Khrushchev was talking the other day to Harold Wilson, a Member of our British Parliament. When he spoke of pumping out from the Colonies their wealth and resources, Mr. Wilson replied that the post-war British Governments had pumped in much more than they had pumped out. Mr. Khrushchev's retort was significant, he said: 'I cannot understand why anybody should enter a country except to pump out.' Certainly they have pumped out from the satellite countries and to no small extent. Those who are now toying with offers of Russian aid should remember that realistic statement of Mr. Khrushchev's...."

"You have your youth and vigour, your great opportunities in a land full of wealth and promise. We for our part do not intend to allow our maturity to slip into decadence. We also face the future with confidence and strength of will.

"Together there is so much that we can achieve.

"I read in the United States Congress on Thursday last, inscribed on the wall, some words of Daniel Webster, which seem a fitting call also to our two countries: 'Let us develop the resources of our land, call forth its power, build up its institutions, promote all its great interests, and see whether we also, in our day and generation, may not perform something worthy to be remembered.'...."

NEW GEOLOGICAL MAP OF CANADA: A new multi-coloured map of the geology of Canada has been issued by the Geological Survey of Canada.

Drawn to a scale of one inch to 120 miles, the new map shows the geology of Canada in 36 colours. It replaces, with remarkably small loss in detail, the one-inch-to-60-mile geological map of Canada issued in two sheets in 1944, and it incorporates the geological findings of the 70 to 75 parties sent into the field each year by the Survey from 1944 up to and including 1953.

The new map features two firsts. The geology of Newfoundland, both of the island proper and of Labrador, is shown for the first time on a geological map of Canada. Also shown for the first time is the geology of the more northern Arctic islands. Previous geological maps of Canada cut off at Devon Island.

The new map, which contains many other features of geological interest, may be obtained at 50 cents a copy from the Director of the Geological Survey of Canada in Ottawa.

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CIVIL DEFENCE VISITORS: Last November, Civil Defence Headquarters at Ottawa received a visit from the Commandant General of Civil Defence for the State of Bombay, India, Mr. M. J. B. Maneckji. Mr. Maneckji stated that he had "been greatly impressed by the training methods in use at the Civil Defence College at Arnprior, Ontario. "It is the finest I have ever seen," he declared, adding that he had seen many of the world's best.

During December, Major-General I.N. Dougherty, Civil Defence Director for New South Wales, and Air Commodore A.G. Knox-Knight, Commandant of the Australian Civil Defence College, spent some time at the Civil Defence College. According to General Dougherty, Australia's civil defence problems were much the same as Canada's, since its population and industry were concentrated in relatively small areas surrounded by vast expanses of sparsely-settled or even empty territory.

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CANADIAN SAILORS AIRBORNE: For the first time in the history of the Royal Canadian Navy, men of the seaman branch have left the decks of warships to take to the air.

Ten sonar operators--trained torpedo anti-submarine specialists--are now serving with the Navy's helicopter anti-submarine unit, HS 50, based at HMCS Shearwater, the naval air station near Dartmouth, Nova Scotia.

The similarity in operation of the helicopter's anti-submarine equipment with that carried in warships prompted the decision to employ trained sonar operators in the aircraft. The anti-submarine helicopter carries the "dunking" sonar, a device which can be lowered into the water from the hovering machine and raised again to allow the aircraft to be flown to a new position.



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FINDING MARKETS FOR CANADA'S GAS

A TRANS-CANADA PIPE: "Our neighbouring country to the south is now served with a great network of gas pipelines, and today energy from natural gas represents about 25 per cent of all energy produced in the United States from coal, water power and petroleum," stated the Minister of Trade and Commerce, Mr. C.D. Howe, in an address to the Canadian Club of Toronto on January 30. "We in Canada have been blessed with abundant sources of hydro-electric energy. Sources of this type of energy are fast being loaded to capacity. By 1962, Ontario will need sources of energy other than water power, and of these natural gas seems to be the most promising."

"It must be kept in mind," Mr. Howe said, "that Ontario is a high-cost fuel area. Here, today, natural gas imported from the United States is finding ready acceptance, to the extent that it is available. Its cleanliness and reliability make it attractive both to the householder and to industry. In other words, it is a competitive fuel, the importance of which will be more widely recognized as the growing use of natural gas points up its special advantages."

The Minister's speech continued as follows:

"Many people hold the view that this pipeline project involves only the procuring and laying in place of a large-diameter pipe, extending from a point in Alberta to a point near Montreal. Such a project is in itself no small undertaking, since it involves an esti-

ated cost of \$375 million. However, this is but part of the pipeline project. In the Province of Alberta, gas wells must be drilled, so that proven reservoirs of gas can be made deliverable. Chemical plants must be built to remove from the gas its sulphur content as well as wet components, such as butane and propane (gas entering the pipeline must be dry gas). Pipelines must be laid to collect the gas from the various fields and convey it to the western end of the Trans-Canada pipeline. Premier Manning has stated that the estimated investment within the Province of Alberta required to deliver dry gas to the pipeline in required quantity will total \$250 million. These capital expenditures within Alberta will be made by private enterprise, and their regulation is the responsibility of the government of Alberta.

"Customers for the gas must be found. This involves extensive distribution systems in a large number of cities, as well as sales programmes to induce private domestic users and private industry to change over to natural gas. The build-up of consumer load must involve a considerable time, affecting in a major way the ability of the sponsors to finance the whole project at its inception. A temporary purchase of natural gas from the United States is now being used, here in Toronto, to reduce this time element. Also

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FINDING MARKETS FOR CANADA'S GAS

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involved in the customer build-up in the manufacture and sale of apparatus for using gas. Altogether, the gas-line project involves expenditures totalling over \$1 billion....

"Objections have been heard that the present sponsors of Trans-Canada Pipelines are Americans. I must point out that, with few exceptions, all the Canadian oil and gas producing companies are offshoots of American firms. I suggest that the present shareholders of Trans-Canada Pipelines are, on balance, more Canadian than the average of Canada's petroleum industry as a whole. However, Trans-Canada Pipelines have in addition undertaken that when public financing takes place at least 51 per cent of the total issue of voting stock will be offered to Canadians. I feel that Canada must avail itself of the wide background of experience that has been built up on this continent in distributing natural gas, and I am happy that the affairs of Trans-Canada Pipelines Limited are in the hands of so strong a group from our own gas industry.

SPECIAL PROBLEMS

"The export of natural gas involves considerations that are not present when considering exports of oil. The latter is a commodity, like coal, which moves freely across all international boundaries and which is sold in one market today and another market tomorrow. On the other hand, natural gas is analogous to electricity, in that continuity of supply must be guaranteed for a long period, usually twenty-one years. Every country approaches problems having to do with either the export or the import of electricity and natural gas with great caution and this is particularly true of the United States, as it is of Canada. The Canadian act governing the export of electricity and fluids was passed in 1907 and has been rigidly adhered to. The Act provides that exports will not be permitted except for energy which is clearly surplus to the present and foreseeable needs of Canada. The importing country is also careful to see that its capital expenditures are not based on a source of imported gas that cannot be depended upon for a long period, that period usually being twenty-one years. The proposal for exports of gas from Canada cannot be rejected out of hand, owing to the fact that proven reserves of gas are being built up in Western Canada at a rate considerably in excess of any foreseeable market in Canada. Export of gas, in so far as this pipeline project is concerned, can be of great assistance to the financing of the project in its initial stages, in that, through exports, immediate customers are obtainable to justify the initial investments.

"A pipeline from the Peace River area to Vancouver is in the process of being financed, after a five-year period of negotiation. Ample

quantities of natural gas have been proven up in the Peace River area, in a location too remote from the industrial centres of Alberta to be of value in that province. Possible consumption of that gas within British Columbia would not have warranted a pipeline, had an export of gas to the United States not been permitted. It was decided some years ago that exports would be permitted, and an export permit was granted accordingly. However, the Federal Power Commission of the United States took two or three years to decide that the source of supply in the Peace River is a reliable one for United States consumers. In the end, it granted a favourable decision, and work on the West Coast Transmission Company gas pipeline is now under way, bringing gas to all of British Columbia within economic distance of the pipeline.

"A similar situation has developed with Trans-Canada Pipelines. A United States transmission company wishes to purchase gas at Emerson, Manitoba, and at Niagara, Ontario, for distribution south of the border. The government of Alberta wishes to have this outlet for export gas and the Federal Government has determined that the gas to be exported is surplus to the foreseeable needs of Canada. The company wishing to import the gas has applied to the Federal Power Commission for an import permit, and that application is presently being considered by the Federal Power Commission. The contract also involves the temporary export to Canada of gas at Niagara sufficient to begin the build-up of customers in the territory between Toronto and Montreal. Approval of the application for import at Emerson and Niagara and export at Niagara will greatly improve the financability of the Trans-Canada Pipeline project. We, in Canada, are hopeful that the Federal Power Commission will approve this application, the granting of which will mean a lower initial cost of gas for central Canada.

"Can this, the longest and one of the largest capacity gas pipelines ever built, extending from an area that has never before been organized to export gas, and serving an area that has not previously had natural gas available for use, be financed without some government assistance? Apparently not, although several attempts have been made. The difficulty lies in the sparsely settled area of northwestern Ontario, which has always been the main obstacle to economic all-Canadian transportation. Various forms of assistance have been considered. The least objectionable form would seem to be construction and ownership by government of a section of line across northern Ontario. When relieved of the capital cost of financing this section of the line, the Trans-Canada Pipelines project would appear to be readily financable. Without help from government to the extent I have indicated, the line would seem to be incapable of being financed privately, at least not for many years to come.

CANADIAN TEACHERS MEET IN EUROPE: A four-day holiday from school is in the offing for children of Canadian servicemen in France, Belgium and Germany this month. One hundred and seventy-five school teachers who staff the 12 Army and RCAF schools in Europe are gathering for a conference in Baden-Soellingen, Germany.

According to Dr. J. Martin of Montreal, supervising principal of the Army schools in Germany, the primary aim of the conference is to examine the fundamental differences between the Canadian educational system and that of European countries. He said that several prominent European educationalists would address the Canadian teachers and participate in discussion groups.

Among them are Dr. H. Priestley, Director of British Families Education Service in Germany; Monsieur Henri Evrard, Assistant Chairman of the University of Paris; Dr. Eugene Loffler, Supervisor of German Schools, Stuttgart; and Dr. Earl Sifert, Director of Dependent Education of the US Army in Europe.

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INDONESIAN ADMIRAL VISITS CANADA: Vice-Admiral Raden Subijakto, Chief of the Naval Staff of the Republic of Indonesia, arrived in Montreal on January 26 from England. While in Canada he visited RCN ships and establishments on the east coast and conferred with naval officials in Ottawa.

Admiral Subijakto inspected ships and establishments of the Royal Canadian Navy's Atlantic Command at Halifax on January 27, and the following day he visited HMCS Cornwallis, the Navy's new entry training establishment.

On January 30, Admiral Subijakto met senior Naval officers in Ottawa, where discussions were held on matters of naval training, education, recruiting and organization.

Staff officers who accompanied Admiral Subijakto were Commander A. Rugebregt, Chief of Naval Technical Services (purchasing); Lieutenant-Commander Saleh Bratawidjaja, Chief of Administration, and Lieutenant Frijomo Prodjofukanpo, Flag Lieutenant. The party left for Washington January 31.

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DANISH AMBASSADOR INSTALLED: On January 30, His Excellency Ove Fleming Sehested presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Denmark to Canada. The ceremony took place at Government House.

Mr. Sehested had been serving as Minister to Canada since September 16, 1952. He was appointed Ambassador after the recent agreement of the Governments of Denmark and Canada to raise the level of their Missions in Copenhagen and Ottawa respectively from Legation to Embassy.

CARNIVAL AT QUEBEC: Historic Quebec City's now famous Winter Carnival which opened on January 27 will last until February 14. There is a galaxy of special events. Ice and snow structures, carvings and monuments appear everywhere in the ancient capital of Quebec Province, and "Bonhomme Carnaval", a grinning seven-foot figure with a snow-white costume and a colourful tuque, reigns supreme throughout the Carnival.

The first four days witnessed an International Dog Derby, ice-cutter races, a drama festival and an International Curlers' Bonspiel. Between February 1 and 5 occurred the coronation ceremony for the carnival queen at the Quebec Coliseum, a student festival, and a carnival-masquerade and torchlight parade throughout the streets of the city, with mummers, bands and clowns. Special events following included a night festival at Lac Beauport, ten miles from the city, with hundreds of skiers rushing downhill bearing burning torches, accompanied by a fireworks display. There was masquerade dancing in the city's public squares.

On February 10 there will be a costume ball at the Chateau Frontenac, and next day, ski competitions will be held on the hills of Quebec and Lac Beauport. An unusual event occurs on February 12, when ice-canoe races will take place on the ice-packed St. Lawrence River. The following night a fireworks display will be thrown up from the walls of the Citadel, and on February 14 the Quebec Winter Carnival winds up with a grand parade through the streets of the city, with masks or other disguises recommended for the marchers.

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HOT SPRINGS IN ROCKIES: Their hot springs are among the natural wonders of the Rockies, and have long been among the leading attractions in three of the mountain national parks—Jasper and Banff in Alberta and Kootenay in British Columbia. Centuries before the first white man crossed the great mountain barrier, the Western Indians knew of these springs and their medicinal properties.

As in the United States, hot mineral springs in Canada provided the incentive for establishing the first national park. In 1885 an area of ten square miles surrounding the hot sulphur springs at Banff was set apart for public use. Two years later the area was enlarged, becoming Rocky Mountains (now Banff) National Park, the first of a system of national playgrounds currently stretching from the Selkirk Mountains of British Columbia to the rugged coast of Cape Breton Island, Nova Scotia. The National Parks of Canada today cover more than 29,000 square miles of scenic territory.

Canadian imports of golf balls jumped to 73,803 dozen in 1954 from 31,630 dozen in 1953.

SOVIET TRADE OFFICIALS VISIT: A delegation of officials from the U.S.S.R. arrived in Ottawa on January 31 for negotiations with Canadian Government officials on a possible trade agreement between the two countries.

During the visit to the U.S.S.R. last October of the Secretary of State for External Affairs, Mr. L.B. Pearson, the possibility of a trade agreement based upon the most-favoured-nation principle was explored. At that time it was agreed that further talks should take place in Ottawa. On November 1 the Canadian Government invited the Government of the U.S.S.R. to send a delegation to Ottawa for this purpose.

The Soviet delegation is headed by Mr. S.A. Borisov, First Deputy Minister of Foreign Trade. The head of the Canadian group of officials in the negotiations is Mr. Mitchell Sharp, Associate Deputy Minister of Trade and Commerce.

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DECEMBER FINANCE STATEMENT: The Honourable Walter Harris, Minister of Finance, recently released the regular monthly statement of the Government's financial operations for December and the first nine months of the current fiscal year.

Budgetary revenues for December totalled \$372.6 million or \$9 million more than last year; expenditures totalled \$422.1 million or \$12.5 million more than last year, and the deficit was \$49.5 million compared with a deficit of \$46 million for December, 1954.

For the first three quarters of the current fiscal year, budgetary revenues were \$3,086.6 million or \$113.3 million greater than those for the same period last year, while expenditures were \$3,030.4 million or \$102.8 million more than last year. The surplus for the first nine months of this year was \$56.1 million while the surplus for the same period last year was \$45.6 million.

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RCAF OFFICER OFFICIATES AT OLYMPICS: Flying Officer J.H.L. LeCompte of the RCAF's No. 1 Air Division Headquarters in Metz, was the choice of the Canadian Amateur Hockey Association and the American Amateur Hockey Association as North American delegate to the International Referees Pool making up the officiating staff for the Olympic Hockey Games just concluded in Cortina d'Ampezzo, Italy.

A native of Ottawa, LeCompte played most of his hockey with RCAF teams, and wound up his active playing career in 1948 as a standout defenceman with the "Ottawa RCAF Flyers", who in St. Moritz, Switzerland, won the Olympic and World Amateur titles for Canada that year.

As one of the official referees at last year's World Amateur Hockey Tournament in Germany, LeCompte won the respect and admiration of coaches and players from many nations including Russia.

NEW AERIAL DIRECTION SYSTEM: A new system of air navigation in Canada was officially initiated on January 31 by the Honourable George C. Marler, Minister of Transport, when he spun a dial at Dorval Airport that put into commission the first "VOR" airway in the country.

The "VOR" airway opened by Mr. Marler is between Montreal and Toronto and in a few days' time will be extended to include Windsor, with between stations at Ottawa, Stirling, Toronto and London. "This is the first section of an air navigation system which we are going to extend from coast to coast," the Minister declared.

VOR is an abbreviation of "very high frequency omnirange" and furnishes the pilot of an aircraft with directional guidance through its transmission of radio waves in all directions.

The facility at Montreal connects with VOR routes to the United States and will "in the not too distant future" tie in with a VOR route via Megantic to the Maritimes and Newfoundland. Mr. Marler stated that the Transport Department was now working on installations to provide VOR routes to the west and "we expect the entire VOR system across Canada to be complete by 1958-59. A total of some 48 stations will be involved in the initial Trans-Canada system. Stations will be placed about 100 miles apart to give adequate coverage."

SUPPLEMENTS OLDER SYSTEM

The VOR system will supplement the low-frequency, four-course radio ranges now universal in Canada. The limitations of the latter as aids for enroute navigation and approach to landing procedures have been apparent for some considerable time, Transport Department officials pointed out. The poor quality of signal received under certain atmospheric conditions, the limitations imposed by only four courses and the fact that the pilot must listen to an aural signal for guidance are the most common disadvantages.

With the introduction of VOR airways, these disadvantages will be largely overcome for those aircraft equipped to use the system. The transmitter, housed in a small building on the airport, is completely automatic, functioning 24 hours a day, no operator being needed. It produces an infinite number of courses, any one of which may be selected and flown by the pilot. The cockpit instrument gives a visual signal, thus relieving the pilot of the wearisome task of constantly monitoring an aural signal to obtain navigational guidance. He can concentrate on listening to communications from the ground control stations and weather reports.

To meet the navigational requirements of aircraft not equipped to fly on the VOR system, the existing low-frequency range airways will remain in use for some time, it was stated.

CANADA'S RELATIONS WITH PEKING

PROBLEM OF RECOGNITION: In his address to the House of Commons on January 31, the Secretary of State for External Affairs, Mr. Pearson, made the following observations on the question of the recognition of the Communist government in Peking:

"...One of the most difficult questions which face this country and many other countries is that of determining our relations with the two rival and bitterly hostile governments of China. It is not as simple an issue to decide as some seem to think. There is more than one factor to take into account before any decisions can wisely be taken. Such a decision requires a careful balancing of many national and international factors, moral, political and economic.

"Some time ago... I expressed the view that we should have another look at this question in the light of the cessation of hostilities in Korea and in Indochina, in the light of the situation in and around the Formosa Straits and in the light of the recent policy of the Peking government in so far as it is possible to determine it. We have made this re-examination and we feel that the careful policy we have been following, and are still following, has been the right one - rejecting on the one hand immediate diplomatic recognition but rejecting on the other hand the view that a Communist regime in Peking can never be recognized as the Government of China.

"The arguments for and against recognition of this government have more than once been discussed, and in detail, in this House, and I do not intend to repeat them at this time. I wish merely to state as briefly as possible the considerations which determine our policy as a Government in this matter.

"The first consideration is the interest of our country, remembering that the paramount interest of us all is international peace and security. In addition, we are obliged to give consideration to the interest and views of our friends and allies, some of whom are even more directly involved than are we in the consequences of diplomatic recognition. It is also important...not to confuse recognition with approval. There are, of course, moral considerations involved and, in the case of a ruthless Communist regime, these considerations inevitably must have a bearing on our attitude. But the decision remains predominantly a political one to be taken on the basis of enlightened self-interest, as in many other cases where we have recognized totalitarian regimes."

"It should not, however, be assumed that Canadian recognition of the Peking government--even if it were to be granted at some

time in the future--would extend to the island of Formosa. As we see it, the legal status of Formosa is still undecided and no step taken vis-à-vis the Communist regime should prejudice that issue. In particular, we would not be a party to any action which handed over the people or the Government of Formosa, against their will, to any mainland government, let alone to a Communist Chinese government.

"We condemn the cruelties and tyrannies of the Peking regime, and we continue to hope that the Chinese people will one day be governed by a more enlightened government of their own choice.

"But...we must accept the fact of Communist control of mainland China. That is one thing we cannot fail to recognize, with the corollary that in certain circumstances and in our own interests we may be obliged to deal--as we already have been obliged to do--at Geneva and elsewhere with that government in respect of certain problems which cannot be solved without it. Nor should we, I suggest, base our policy on the likelihood of the Nationalist Government of Chiang Kai-shek returning to power on the mainland. Furthermore, the anomaly of that Government representing China at the United Nations, with a veto that can block any action desired by 52 other members, is becoming increasingly apparent. I believe also that we should accept no commitment to intervene on behalf of the Nationalist Government in the struggle for the Chinese off-shore islands.

"As for Formosa, the only commitment we have is that which might arise out of our obligations under the Charter of the United Nations. So far as diplomatic recognition is concerned, we should from time to time review the position in the light of conditions, of our own interests and of the views of our friends and allies. However, I believe we should not get ourselves into such an inflexible position that a change in policy, if it were considered to be wise and necessary, could be brought about only with maximum difficulty.

"...I should like to express one further thought on this subject. We are all concerned, and rightly so, that the utmost in good judgment be applied to this complicated and controversial problem of legal recognition. As I see it, however, we must not let it distract us so much that we ignore the longer term issues which are raised by Communist China's emergence as a new and powerful force in the world. The consolidation and growth of Chinese power under Communist rule which is now taking place may be historically as important an event as the Russian Revolution of 1917...."

FINDING MARKETS FOR CANADA'S GAS

(Continued from p. 2)

"The government of Ontario has shared the concern of the Federal Government in the problem of bringing Alberta gas into this province. The two governments have kept in close touch with developments over several years. The Federal Government, therefore, proposed to the government of Ontario that the two governments join in forming a Crown Company to build the northern Ontario section of the line, on the basis of one-third of the cost to Ontario and two-thirds to the Federal Government. This proposal was accepted by the government of Ontario, subject to legislative approval, with a limitation of \$35 million on the Ontario participation....

"Government participation in this project is essentially a bridge in time. It does not represent a subsidy in any form. Were the whole project to be delayed until an adequate market volume could be built up, using such American gas as might be obtainable, the whole system could probably be financed some years hence without government intervention. However, it seems to me that time is of the essence, and that under the circumstances, government participation is warranted. This view is shared by the government of the province of Ontario. A subsidy for the line is not desirable, since gas in central Ontario and elsewhere will compete as a fuel with coal and oil. Is it desirable for governments to subsidize one fuel against competing fuels and one set of producers against another? I think not.

"It has been represented that an all-Canadian pipeline is not the most economical method of supplying western gas to central Ontario. The alternative most frequently suggested is an exchange of gas, in other words, western gas should be delivered to the central United States with the understanding that gas from Texas should be delivered in equivalent quantity into central Ontario. This proposal ignores the cautious delay which proposals to market Canadian gas in the United States have met with in that country, and the reluctance of the United States to permit its gas to be exported to Canada. Study of the proposal has confirmed our first conclusion that such an exchange of gas is entirely unworkable....

"I would remind you again that this whole project, and what goes with it, represent an expenditure of over one billion dollars. Its construction and its effects are comparable in magnitude with the St. Lawrence Seaway and power projects, which will take four years to complete.

"Just now, the important thing is to get the project properly launched. I believe that the group that has now assumed the responsibility for the Trans-Canada Company is one of the strongest, both financially and in gas pipeline experience, that has ever been assembled for a project of this kind...."

ARMOUR IN AN ATOMIC AGE: Senior regular officers of the Royal Canadian Armoured Corps and armour experts from the British and U.S. Armies attended a five-day conference at the RCAC School, Camp Borden, Ontario, January 30 to February 3. The discussions chiefly concerned the future of the Corps under atomic conditions.

During the first phase of the conference on January 30 and 31, the organization, tactics and tactical employment of armoured units in a future atomic war were studied. The second phase, on February 1, consisted of a series of briefings on technical and tactical developments within the Army, relative to the problems of a future nuclear war. Phase three, February 2 and 3, consisted of an exercise, code-named "Exercise Look-Ahead", presenting a series of problems as they might arise in the future.

* * *

BIG TORONTO RENTAL PROJECT: Tenders will be called in April for construction of the second part of Canada's largest redevelopment undertaking, the 2,000-unit Regent Park subsidized-rental housing project in Toronto, it has been announced jointly by Public Works Minister Robert Winters and Ontario Minister of Planning and Development W.M. Nickle.

Regent Park South will consist of row-housing units and apartment units with rents averaging \$63 a month. The units will be rented to families of low income and the rents will be geared to income, adjusted by family size. Families whose incomes do not exceed an estimated maximum monthly income of \$341 and who now live in the area will be given priority for the units.

Construction of the housing units will be supervised by Central Mortgage and Housing Corporation. The project will remain in the ownership of the federal-provincial partnership with management responsibilities assigned to the Metropolitan Toronto Housing Authority which was appointed recently.

* * *

PRINTING AT NEW PEAK: In Canada, products of the printing trades and allied arts, which comprise several closely related industries, publishing and printing, printing and book-binding, lithographing, engraving, stereotyping and electro-typing, and trade composition, reached a new peak value of \$498,083,000 in 1953, an increase of 10.8 per cent over the preceding year's \$449,509,000, according to the Dominion Bureau of Statistics.

There were 2,744 establishments classed in the printing trades in 1953, 25 more than in 1952. The average number of employees in the industry increased 2.8 per cent to 61,602 from 59,916, and salary and wage payments jumped to \$195,727,000 from \$177,373,000. Raw materials used and services received by the printing trades cost \$152,512,000, up from \$138,-376,000.



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THE POLITICAL SITUATION IN THE MIDDLE EAST

A CANADIAN VIEW: In a statement to the House of Commons on January 24, the Secretary of State for External Affairs, Mr. Pearson, had the following observations to make on the Middle Eastern political situation:

"...It is a situation which has been disturbing and unsettled, as I have already said, since the very foundation of the state of Israel. It is becoming increasingly clear that some solution must be found for the problem of the relationship between Israel and her Arab neighbours if that situation is to improve. If it does not improve it will get worse and the danger of conflict will increase. This is especially the case because there are governments which are cynically hoping to obtain political advantage from keeping the Arab-Israeli dispute burning without any concern for the damage that this would cause the Israeli and Arab people, or the danger to peace that might result. I think there would be no contribution on our part to improving the chances of peace in that area by cutting off all shipments of defence equipment to the state of Israel..."

"It is the realization of this danger, the danger of conflict, which prompted western statesmen recently to offer the assistance of their governments and themselves in helping Israel and the Arab states find a solution for their disputes and problems. We in this Government are very much in accord with the spirit of such pronouncements which point to

the necessity of a settlement based on conciliation, understanding and compromise, which alone can afford a real basis of security and prosperity for both the Arab and Israeli peoples. The difficulties...are great and the dangers are very real, as they always are when passions are high and feelings are deep.

"We can sympathize with and understand the fear felt in Israel when they hear across their borders threats of destruction; and, of course, the United Nations did not establish the state of Israel in order to see its obliteration. Similarly, we can understand the feelings of Arab peoples at the alienation of land which was occupied by Arabs for centuries; we can sympathize with the sufferings of the many thousands of Arab refugees who have been made homeless. But surely, to both sides the advantages of a confirmed and secure peace, instead of the present condition of precarious armistice, are so great both economically and politically that a negotiated settlement should not be impossible.

"I cannot...mention the armistice without paying tribute here, and I know the House will join me in this, to the work of Major General Burns, the chief of the United Nations truce supervision organization for Palestine. He is not, of course, serving as a Canadian but as a United Nations official. Nevertheless, since he is a Canadian, I am sure that all are as

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WORK STOPPAGES DOWN: There were fewer work stoppages arising from industrial disputes in Canada during 1955 than in any year since 1949. There was also a slight decrease from the previous year in the number of workers involved, according to a preliminary summary of strikes and lockouts for 1955 released recently by the Honourable Milton F. Gregg, Minister of Labour.

The Minister explained that, although there were fewer stoppages and fewer involved workers, time loss was higher in 1955 than in 1954 - 0.19 per cent of the estimated working time of non-agricultural wage and salary workers, as compared with 0.15 per cent in 1954.

Preliminary figures for 1955 showed 148 work stoppages involving 57,402 workers with a time loss of 1,865,618 man-working days, as compared with 62,250 workers involved in 174 stoppages with a time loss of 1,475,200 days in 1954. The peak year was 1946, when there were 228 work stoppages involving 139,474 workers and a total time loss of 4,516,393 man-working days.

Wages and related benefits were the issues in one-half the stoppages in 1955, involving 72 per cent of the workers and causing 95 per cent of the time loss. Of the other disputes, 21 arose over conditions of work; 20 over union questions; 19 over employment, dismissals, suspensions and lay-offs; 10 over reduced wages; two over reduced hours; and two were sympathy stoppages.

* * * *

BRITISH FIRM BUILDS ONTARIO PLANT: On behalf of the Georgian Bay Development Association, the Honourable W.M. Nickle, Minister of Planning and Development, announced recently that Acrow (Engineers) Ltd. of London, England, had purchased a 258-acre tract of land at Orangeville, Ontario. A 16-acre portion will be the site of a new industrial plant, construction on which will commence in the spring. When in production, the new plant will make a wide range of the company's products, including industrial storage and mechanical handling equipment and world-renowned lines of steel formwork and all-purpose unit scaffolding for the construction trade.

* * * *

BRAZILIAN ROVERS STILL ROVING: When three Rover Scouts drove into Vancouver recently in a jeep, they had covered more than 31,000 miles on a 44,000-mile, 10-month motor tour which started at Sao Paulo, Brazil, on April 2, 1955, with the 8th World Scout Jamboree at Niagara-on-the-Lake, Ontario, last August, as its major objective. Since the Jamboree, the Brazilian Rovers - Jan Stekly, 20, Charlie Downey, 22, and Hugo Vidal, 22 - all of Sao Paulo, have visited the eastern United States, northern Canada, Alaska and some of the western provinces.

DRB SCIENTIST RECEIVES AWARD: Notable contributions to chemical research in the fields of explosives and propellants have won for Dr. Jean-Louis Boivin, 37, of Quebec City, a \$1,000 cheque under the provisions of the Public Servants Investments Regulations. Dr. Boivin is an organic chemist employed by the Defence Research Board at the Canadian Armament Research and Development Establishment, Valcartier.

He has developed a promising process involving a nitroguanidine compound that is simple, convenient and consumes little electric power. Guanadine chemistry is important in the manufacture of propellants. In addition, Dr. Boivin has made notable contributions to the field of guanadine chemistry by developing alternate methods to those now employed in synthesizing guanadine compounds. He has also investigated the synthesis of a wide range of the compounds.

Dr. Boivin's achievements, over a seven-year period with DRB, have not been presented in open scientific journals because of the security implications. The value of his processes, which involve the economic use of electric power, would be greatly enhanced in wartime when power is in unusual demand. Several of his developments are likely to be of particular value in the plastics industry.

Through Dr. Boivin's work, cross-patent arrangements with Canadian, United Kingdom and United States industries provide the Department of National Defence with the free use for military purposes of all the important methods of producing nitroguanadine.

* * * *

MORE HOGS: There were an estimated 5,981,000 hogs on farms across Canada at the start of December, 10 per cent more than on the same date in 1954 when the hog population was estimated at 5,425,000, the Dominion Bureau of Statistics reported recently on the basis of its semi-annual survey. Except for the Maritime Provinces, the increase was general, resulting in a 13 per cent rise to 3,318,000 in Eastern Canada and an increase of 7 per cent to 2,663,000 in Western Canada.

The number of hogs over six months old was substantially greater than at December 1, 1954. Pigs saved from the summer and fall litters in 1955, estimated at 4,118,000, were 4 per cent more plentiful than during the same period in 1954. The build-up of the hog population shows signs of tapering off, increases indicated by the current survey being the lowest since the climb began two years ago.

Output of cobalt in 1954 from Canadian ores amounted to 2,252,965 pounds, a figure previously exceeded only by the recorded output of 2,448,000 in 1908 and 3,066,000 pounds in 1909. For 1955 output is estimated at a near-record 2,999,650 pounds.

PREDICT GOOD YEAR FOR TRAPPERS: Ontario's multi-million dollar fur industry will continue to prosper next year, Minister of Lands and Forests Clare E. Mapledoram predicts. He based his New Year forecast on reports of trapping experts and pointed out, as one example of prosperity, that last winter's harvest of 115,439 beaver pelts was the second largest on record and still left a high beaver population over most of Ontario.

There was evidence however, he said, that range deterioration due to over-use was leading to disease and to scarcity of beaver in some areas.

The harvest of fisher last year was the largest since 1928-29 -- 2,915. Fisher are spreading rapidly into ranges where they had been trapped out and are becoming abundant in some parts of northern and western Ontario.

The harvest of marten last year -- 3,587 -- was the best since 1923-24. The increase has followed an extensive programme of stocking by the department. The marten are live-trapped in the Chapleau Crown Game Preserve and Algonquin Park and released in country where none had been before.

Mink were down over most of the province last year, but increased catches were taken in extreme southern parts. An all-time record catch of mink was taken by the Indians on the Hudson Bay coast. There may be a further decline in mink numbers this year.

The muskrat catch declined further, with a 1955 catch of 640,865.

Ontario's fox population may decline during the next few years if certain diseases now diagnosed become widespread, the Minister warned. In the Cochrane-Kapuskasing area, foxes had practically disappeared because of an outbreak of rabies, and cases of rabies had been confirmed as far south as Parry Sound. There was danger that the disease might be spread into southern Ontario by hunters' dogs. The Minister urged all hunters to have their dogs vaccinated before taking them north to hunt.

Raccoon hunting in southern Ontario is becoming a popular sport and in 1954-55 the hunters' kill was nearly double the number taken by trappers, 16,384. Raccoons are abundant in most of southern Ontario but local declines have been reported. A disease resembling distemper has been reported affecting raccoons in the Niagara Peninsula.

* * * *

FOOD EXPENDITURES: According to a sample Bureau survey in five metropolitan areas, out of every dollar spent for food the average Canadian city family spends 22 cents for meat, 11 for dairy products, 4 for eggs, over 8 for bakery products, 11 for fresh fruits and vegetables, 6 for poultry and fish, 6 for fats and oils, 3 for cereals, and 14 for general groceries. Food eaten away from home accounts for most of the rest.

WINTERS SPECIAL ENVOY TO BRAZIL: The Department of External Affairs announced recently that the Honourable Robert H. Winters, Minister of Public Works, had been designated Special Ambassador for the inauguration of the President-elect of Brazil, His Excellency Juscelino Kubitschek de Oliveira. The ceremonies will take place in Rio de Janeiro from January 29 to February 3.

In addition to Mr. Winters, the Canadian Special Mission will include the Canadian Ambassador to Brazil, Mr. Sydney D. Pierce, and the members of his diplomatic staff; Mr. Douglas How, Executive Assistant to Mr. Winters; Commodore H.L. Quinn, Naval Attaché; Air Commodore R.A. Cameron, Air Attaché; and Colonel K.H. McKibbon, Military Attaché.

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RCAF INVENTOR COMMENDED: Flight Lieutenant Edward A. DeLong, 27, of Toronto and St. Thomas, Ontario, whose ingenuity resulted in the adoption of a new type of navigation protractor and plotter for use in anti-submarine warfare, recently received a letter of commendation from Air Marshal C. Roy Slemon, Chief of the Air Staff.

The device, produced in the line of duty by F/L DeLong, a navigation officer serving at the RCAF's Maritime Command Headquarters, Halifax, is patterned on the ordinary protractor used by navigators for plotting courses. It will save considerable time in maritime operational navigation and will improve the accuracy of "sonobuoy" recording. A sonobuoy is a device dropped to the surface of the sea from aircraft engaged in anti-submarine patrols, capable of detecting the presence of submarines and relaying this information by signal to the planes.

* * * *

BIRTHS UP, MARRIAGES AND DEATHS DOWN: An all-time record of 442,000 births occurred in Canada in 1955, according to estimates based on registrations filed in provincial offices up to the end of December. This compares with 435,142 births in 1954. However, the birth rate (per 1,000 population) estimated at 28.4, declined for the first time in five years but was still the third highest on record since 1921, comparing with the previous record rates of 28.9 in 1947 and 28.7 in 1954.

While the cumulative total of 126,570 deaths reported for 1955 exceeded the 123,441 during 1954 by 2.5 per cent, the estimated crude death rate (per 1,000 population) of 8.1 for 1955 is a record Canadian low, breaking the previous record 8.2 of 1954.

The 125,851 marriages registered during the year 1955 represented a total just under the 126,641 registered in 1954. The marriage rate (per 1,000 population), which is provisionally estimated at 8.2 in 1955, compares with 8.5 in 1954 and has been gradually declining from the all-time record of 10.9 in 1946.

DISCUSSES WINTER UNEMPLOYMENT: Speaking in North Bay, Ontario, recently, on the occasion of the laying of the cornerstone of the new Federal Building there, Public Works Minister Robert Winters had this to say about the effectiveness of the Federal Government's programme to combat winter unemployment:

"The circumstances surrounding this event today are worthy of special comment. You may have heard that the Federal Government has been specially concerned with the problems of winter unemployment, and that under the overall direction of the Minister of Labour efforts were being made to do everything within our power to alleviate the situation. The record of activity right here in North Bay, on the construction of this building, is a sample of how well our plans are working out. The Federal Department of Public Works has 196 separate building projects under way in Canada at the present time. The weather this winter has been about as severe as any experienced - particularly in the Western Provinces. Nevertheless the projects are progressing favourably - with winter works being carried out on each of them. These projects are providing work and wages for people at a time when even a few years ago they would have been closed down until spring. Here is an example of what can be accomplished when private enterprise and government team up to tackle a problem of common concern.

"As the Minister responsible for housing, I can say further that there is little question that employment in house-building will be higher this winter than last. At the end of 1955 there were some 78,000 dwelling units under construction, 14 per cent more than at the end of 1954. This means a corresponding increase in the labour required to complete these dwellings in the first four or five months of the year."

* * * *

CMHC GRANT FOR VANCOUVER SURVEY: Public Works Minister Robert Winters announced recently that the Federal Government had authorized the Central Mortgage and Housing Corporation to make a grant of \$16,000 to the city of Vancouver to finance an urban re-development study.

The survey, which is expected to be completed within a year, will consist of a study of the physical and social conditions in older sections of the city, covering such points as the age of property, overcrowding, sanitary conditions and the prevalence of social problems such as juvenile delinquency. It will indicate areas which require conservation or re-development and priorities for their treatment under a 20-year plan.

The second part of the survey will be a detailed study of a particular area or areas for renewal in the near future. This study will evolve a detailed plan for re-developing the area, complete with estimated costs.

CLOTHING CONFERENCE CONCLUDED: Delegates to the Fifth Commonwealth Defence Conference on Clothing and General Stores can boast of a night spent in an igloo and of treks across the wind-swept tundra in temperatures as cold as 40 degrees below zero. The conference ended January 27.

While spending a night in an igloo was not on the agenda, the delegates, particularly those from far-off lands, were so eager that a waiting list had to be drawn up for accommodation in the only igloo adjacent to the camp.

An even more ambitious group, headed by A.C. Jones from the Defence Research Board, Ottawa, left Fort Churchill on January 21 for a weekend in the open. They carried with them all their equipment and pack rations and pitched their five-man tents at the edge of the tree-line a few miles south of the camp. They chose a good day for their experiment, for, on the day they set out, Churchill was a balmy 8° below zero, much the highest temperature since the conference opened.

Among those making the frigid safari with Mr. Jones were Squadron Leader D.G.V. Whittingham, Institute of Aviation Medicine, United Kingdom, and Dr. Mohammad Afaf, Pakistan.

CONCURRENT ARMY TESTS

While there was no official connection between the conference and the annual cold-weather tests of clothing and equipment carried out by the Directorate of Inter-service Development, delegates were keenly interested in the tests and made daily visits to the test site seven miles from their camp, where 35 members of the Royal Canadian Horse Artillery were living on the tundra for a three-week period.

The group lived in five-man tents well banked with snow. Neatly-shovelled paths lead from tent to tent. Heating was by gasoline; but no heat was allowed during the long nights, and by morning the interiors of the tents were many degrees below zero. However, modern sleeping bags and cold-resistant clothing proved adequate, and no cases of frost bite occurred.

One day's rations are:

Breakfast: oatmeal, bacon, biscuits, biscuit spread, coffee.

Mid-morning snack: biscuits with honey, coffee, hard candy.

Lunch: spiced ham, almonds, cocoa, chocolate bar.

Mid-afternoon snack: sandwich, biscuits, tea, hard candy.

Supper: chicken soup, weiners and beans, fruit cocktail, biscuits, biscuit spread, tea.

Evening snack: fruit beverage, chocolate bar, almonds.

In addition each ration pack contains such things as sugar, cigarettes, can opener, soluble cream, matches, soap, salt, chewing gum, spoons and paper towels.

THE POLITICAL SITUATION
IN THE MIDDLE EAST

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proud as I am of his devoted and skillful work in safeguarding the armistice in most difficult and, indeed, at times dangerous circumstances, and of the high regard in which he is held by both sides for his sincerity and impartiality.

"...I have had the privilege recently of exchanging views with Israeli and Egyptian leaders. In July the Egyptian Foreign Minister visited Ottawa and I had the honour of being received by the Premier of Egypt, Colonel Nasser, at Cairo on my way back from Southeast Asia in November. I might at this point answer a particular question put to me...whether I would 'equalize' Canada's position in the Middle East by going to Israel, in view of my visit to Egypt. I hope that it may soon be possible for me to visit Israel to see for myself the exciting and constructive things that are being done there. The reasons why I could not do so during my recent journey have been fully explained already, and I will not waste the time of the House in repeating them here, especially as they were made known to and understood in Israel at that time. I was all the more pleased, therefore, because I had not been able to visit Israel on this trip, to welcome to Ottawa at the beginning of December Mr. Sharett, the Foreign Minister of Israel, who came here at the invitation of the Prime Minister...I agree wholeheartedly that our attitude should be 'equal' but I doubt whether anyone would seriously contend that the criterion of such an attitude is an exact and prompt balancing of my journeys to foreign capitals. This 'equality' which, as I say, I endorse, must rest on a sturdier basis than that...

"My own discussions with Egyptian and Israeli leaders about the problems of the Middle East and my study of these problems, which I share with others in the house, have left me with the impression that, while the issues are complex and difficult, and even dangerous, there is a basic desire for peace on both sides because it is realized, it must be realized, that this is indispensable to social and economic progress. There seems, then, to be at least this foundation upon which a settlement could be reached.

"I believe that the Western powers are ready and anxious--I know that Canada is--to assist in the achievement of a settlement. I hope sincerely that the Soviet Government and its friends are equally anxious. If they are, they will not stimulate and encourage an arms race in the Middle East which can have no good result, except for the political machinations of the stimulators. I agree, of course,...that the way to blunt the machinations of those who seek to gain advantage from inflaming the troubles of the Middle East is to bring about

peace there. I am sure any Canadian Government, any government, would wish to do what it could, along with other similarly disposed governments, to assist in bringing about such a peace....

"It is easy enough to criticize indiscriminately those powers and those persons who have had to cope directly with this complex issue. It is easy enough to put forward proposals which fortunately no one is expected to put into practice. If our response to recent Soviet moves in the Middle East were to abandon friendly relations with the Arab states and support Israel, completely and exclusively, with our diplomacy and our arms, then we should indeed be playing the Communist game. The moral position of the Western powers in that area is based on the fact that they have, though not without mistakes and contradictions, tried to preserve peace on a basis of mutual accommodation rather than on the triumph of one side over the other. I suggest we must not abandon that position because the Russians have done so for their own purposes.

COMPROMISE ESSENTIAL

"The important question is, however, how can an honourable and satisfactory solution be brought about? The main issues are now commonly known. It seems clear that both sides, if they recognize the desirability of a settlement, must give something to achieve it, must take some compromise. There can never be a negotiated settlement where one side or the other remains adamant. Each must enter into negotiations prepared for some sort of give and take, although, of course, no one would expect one of the sides to make prior or unilateral concessions.

"It seems to me that an essential, indeed, a first requirement, is that the Arab states should recognize the legitimate and permanent existence of the state of Israel. That, as I see it, necessitates abandonment by them of the impractical stipulation that we must return to the United Nations resolutions of 1947 which provided for a divided Palestine. The Arab states took up arms to prevent these resolutions becoming effective and I do not see how they can claim the right to have them accepted now as the price of peace in that area. The people of Israel have the right to know that their national existence is not at stake. That seems to me to be fundamental. Efforts to bring peace and all its benefits to the Middle East will be of no avail unless Israel and the people of Israel are released from the overhanging fear which naturally envelopes the country as a result of the threats of destruction and of the political and economic warfare directed against it by its neighbours. Deep fear leads to desperate acts which, though they cannot be condoned, may at least

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be understood. Surely it is essential, therefore, that this basic cause of fear must be removed if there is to be a solution of the Arab-Israeli dispute.

"Just as we should like to see Israel freed from the fears and economic pressures which are being imposed on her, we must also hope that the Arab populations will be enabled to move forward toward their goals of economic betterment and social progress. There have, indeed, been concrete proofs that this is the hope of the West.

"It may, perhaps, be said that there is fear also on the part of the Arab states lest they should be attacked. But so far as I am aware...the 1950 tripartite declaration of the three leading Western powers is still valid, that they would oppose the changing of borders by force. Moreover, the United Nations is dedicated to the prevention of aggression and the House will be aware of the fact that only recently the Security Council of the United Nations, in considering a most regrettable development of the Arab-Israeli dispute, gave unanimous evidence of its determined opposition to the resort to aggressive force. These, I maintain, are no inconsiderable safeguards. They would be even stronger if there were permanent frontiers settled by negotiation.

ARAB GRIEVANCES

"The Arab states on their part are, however, entitled to certain assurances. There must be a fair and honourable solution to the problem of Arab refugees...The unhappy plight of these refugees is of serious concern not only to the Arab countries and to Israel because it poisons their relations but also, for humanitarian and political reasons, to the whole free world. These unfortunate people have largely been maintained by the United Nations, and Canada has contributed its share toward their support. But that cannot go on much longer. Shelter and a dole are pitiful substitutes for a permanent home and opportunities for gainful work. As I see it, some compensation should be paid these refugees by Israel for loss of land and home. But it is clear that so large a number cannot return to their former land, which is now in the state of Israel whose total population is less than two million; nor in all probability would many desire to live in what would now be to them an alien country. A limited amount of repatriation might be possible such as that which would be involved, for example, in the re-uniting of families. For the rest, resettlement as an international operation, to which Israel among others would make a contribution, seems to be the only answer.

"But even more important is the question of boundaries. There are at present...armistice

demarcation lines. They are therefore lines which have not been finally determined by a peace settlement. I believe that they could be susceptible to readjustments. This, of course, is by no means to suggest one-sided concessions of territory or any such thing as the 'truncation' of Israel, which would be crippling to the new state. But perhaps certain boundary rearrangements could be made so as to produce mutually acceptable permanent borders. There is no doubt, in my mind at least, that if the permanent borders could be agreed upon in this way the United Nations would be deeply interested in the maintenance of their security.

"In return for the international guarantee which might result from this interest, with security and stability in the area which would result, I should think both the state of Israel and the Arab states would be willing at least to discuss such readjustments at a peace conference table. It seems to me also that any state which would refuse to discuss peace at such a conference table--and on some such basis of principles as that outlined above, although sketchily--would be taking on a very heavy responsibility indeed. I share, however, the optimism of the Secretary General of the United Nations, who is now visiting this area on a mission of conciliation and peace, that such an uncompromising attitude will not be adopted by anyone and that settlement based on justice and security will be found. Please God it may be so and that this tense and torn area, the Holy Land of so many millions, may become again a land of prosperity and of peace."

* * * *

SURVIVAL KIT FOR MOTORISTS: The suggestion that motorists carry emergency supplies, particularly those who travel alone in rural areas during the winter months, has been made by J.A. Christie, chairman of the Highway Traffic Board, Regina, Saskatchewan. Mr. Christie said blizzard conditions throughout the province earlier this winter, in which human lives were lost, highlighted the need for some form of emergency kit to be carried.

A kit could contain such items as a blanket or rug, extra flight boots and warm outer clothing, tinned foods and fruit juices, thermos of hot coffee, a shovel, flashlight, matches, a small bundle of kindling wood and de-icing fluid. Most of these items could be kept in the car at all times, Mr. Christie said.

* * * *

ITALIAN PRESIDENT TO VISIT: The President of Italy, His Excellency Giovanni Gronchi, has accepted the invitation of the Canadian Government to visit Canada during his forthcoming North American tour. He will arrive in Ottawa on March 3 for a visit of three days. The Governor General has invited Signor Gronchi to be his guest at Government House while he is in Ottawa.



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COMMISSIONER REPORTS ON THE NORTHWEST TERRITORIES

TRANSPORT MAJOR PROBLEM: Speaking at the opening of the Tenth Session of the Council of the Northwest Territories, in Ottawa on January 16, Territories Commissioner R.G. Robertson noted that the Governor-General would be presenting a ceremonial mace to the Council. The mace had become, he said "throughout the Commonwealth, the traditional token of authority of parliamentary bodies serving under our constitutional monarchy." Mr. Robertson turned next to a recapitulation of the main points in a brief he had presented after the previous session of the Council to the Royal Commission on Canada's Economic Prospects:

"...The brief pointed out that the most serious obstacle at present to the economic development of the Northwest Territories is the difficulty and the cost of transportation. One of the most unfortunate influences of inadequate transportation is that it retards not only mineral production but also mineral exploration. Between five and ten years must often elapse between the discovery of a promising prospect and the achievement of full production. With the constant increase in world demand for metals, and with the steady growth in world population, it seems beyond doubt that the mineral resources of the Territories will, if their exploitation is made economically possible by better transportation, be able to add greatly to the wealth of this country. Failure to develop these resources may, by causing increases in metal prices,

create, in future years, economic dislocations which could have been avoided.

"The brief pointed out that another urgent reason for stimulating economic development is the precarious state of the present economy of the native people of the north. The wildlife resources on which they have depended so greatly for food and clothing are declining at precisely the time that the number of Eskimos and Indians is increasing. The fur trade, long the major source of revenue, is in a seriously depressed condition with little indication of marked improvement. Dependence on relief has grown alarmingly during the post-war years when the rest of the people of Canada have been enjoying great prosperity. Continuation of growing relief payments is not a solution. The only effective policy is one that will fit these people into wage earning activities in an expanding economy. If increased opportunities do not occur to a sufficient degree in the next few years the self-reliance of the people may have become so badly injured that they will be unfitted to take advantage of the opportunities when they eventually materialize. The economic requirements of the next few years, but perhaps more imperatively the social needs of the people of the northern half of Canada, create an urgency in providing the conditions under which the development of the Territories will occur.

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COMMISSIONER REPORTS ON THE
NORTHWEST TERRITORIES

(Continued from p. 1)

"Three methods by which transportation facilities into the Northwest Territories might be improved were submitted for the consideration of the Royal Commission. One was for the Federal Government to adopt a programme of building development roads into mineral or other resource areas as soon as these regions give promise of development. Another suggestion was that advantage should be taken of the supply needs of the newly constructed defence stations in the Northwest Territories to establish a network of scheduled commercial air services.

"Both of these methods would be important. However, the greatest step to improve transportation would be the construction of a railway to Great Slave Lake. It would move the railhead some 400 miles further north; it would reduce substantially transportation costs to all points in the Mackenzie District and particularly to the present and prospective mining areas; and it would provide a transportation system capable of handling a large mining development - which the present transportation system is not....

GREAT SLAVE RAILWAY

"The railway to Great Slave Lake would not be an ordinary branch line to serve just one mine, or even a small locality. It would, it is true, bring into immediate production a zinc-lead mine at Pine Point of much more than ordinary significance, one that might prove to be one of the lowest cost producers in the world....

"I would now like to refer briefly to one series of activities which will have an effect on the development of the Northwest Territories in a number of ways. It is the construction of defence installations along the Arctic coast and certain of the islands. This construction has proceeded at a rapid pace in a number of localities in the past year, and it has involved bringing into the north a substantial number of people with little or no experience of northern conditions or of native peoples. It is a great credit to all who have been connected with the enterprise, therefore, that unfortunate incidents have been avoided and that so much has been accomplished. The officers of the Western Electric Company of the United States, and of the two major Canadian construction companies - the Northern Construction Company and J.W. Stewart Ltd., and the Foundation Company of Canada - have been most cooperative at all times in considering and meeting the special problems of the north and its people. Arrangements were made for the employment - and, I might add, the successful employment - of Eskimos on construction work at a number of sites, and steps are now being taken to arrange where possible

for their continued employment in the operation of the stations. Special arrangements have been made to permit their training on the job for tasks that were, until now, quite unfamiliar to them.

"One effect of these defence activities will be that, within a few years, new communities will arise where in the past there have been only trading posts or nothing at all. Localities where we may expect a particularly important change include Aklavik, Tuktoyaktuk, Cambridge Bay and Frobisher Bay.

"At the new site of Aklavik a considerable amount of work was accomplished in 1955. A construction camp was established, some two and a half miles of new roads were built and about a dozen buildings were constructed. Equipment and construction materials were delivered. Intensive engineering investigations were carried out which have led to a firm decision that the new site for Aklavik is capable of providing a safe water supply, that it can be served by a modern sewage disposal system and can provide adequate foundation for the substantial buildings which will be required. Much thought has been given to the layout of the new town so that it will be adapted to the requirements of the terrain and climate and to the ways of life of the people who will live in it. Some 60 residents of the delta area were employed at the new site last summer. Work will proceed on a larger scale in the coming year.

EASTERN ARCTIC

"On the other side of the Territories there has been considerable expansion at Frobisher Bay. An airfield was established there during the war and was retained as a military establishment. This proved a magnet drawing Eskimos into the area to take advantage of seasonal employment. By the beginning of 1953 it was apparent that some permanent shift in population had occurred and that something must be done to provide administrative services for the new concentration of people. Accordingly, a civilian townsite was laid out two miles from the military establishment. A nursing station, a school, a garage-workshop, and housing for employees was built. A Northern Service Officer, a nurse and a teacher were stationed there to serve the civilian community.

"In my opening address at the ninth session of the Council, I referred to the apparent and most disturbing decline in the caribou population of the Territories. A number of steps have been taken to try to mitigate this decline and to determine its causes. A Committee on Caribou has been set up, consisting of representatives of the provinces of Manitoba, Saskatchewan and Alberta, of the Northwest Territories Administration and of the Canadian Wildlife Service. The purpose of this Committee is to make recommendations on policy and to co-ordinate the efforts of the administrations concerned...."

SECOND AIRPORT FOR VANCOUVER: The selection of a site for development of a secondary airport to serve the City of Vancouver and the surrounding area was announced recently by the Honourable George C. Marler, Minister of Transport.

The site is immediately north of the town of White Rock and approximately 18 miles southeast of Vancouver International Airport. It is some 25 miles by road from downtown Vancouver.

The principal objective had been to provide an airport that would afford relief to the rapidly growing volume of traffic at Vancouver International Airport by offering an additional site which could handle some of the traffic, particularly flying training, business and executive users, and general light aircraft flying. It was thought that the field at White Rock would be of considerable assistance in this regard.

Mr. Marler also commented that the proposed field offered the advantage that it could be developed to accommodate modern passenger aircraft and therefore could suitably be used by commercial aircraft at times when, on account of weather or other causes, Vancouver International Airport could not be used.

The site selected would lend itself to future development of runways for instrument use if this becomes necessary, and though it is within reasonable distance of Vancouver, it is far enough from other airports to avoid conflict with existing air traffic patterns. It had the further advantage of good prevailing weather conditions.

The announcement added that, though the development in due course of the site at White Rock should be an important addition to aviation facilities in the Vancouver area, the very large expansion of flying in British Columbia and particularly in the coastal area made it desirable also to develop nearer to Vancouver a smaller satellite field intended solely for the use of light aircraft, and with this in view further investigations were being carried out to determine if a suitable location can be found.

* * * *

SEAWAY OFFICIALS VISIT PANAMA: Officials of the St. Lawrence Seaway Authority are to visit the Panama Canal Zone as guests of the Secretary of the Army of the United States and the St. Lawrence Seaway Development Corporation. The purpose of the trip is to observe the procedures of handling cargo ships and the collection of tolls through the Panama Canal.

The Canadian group includes, in addition to Mr. Chevrier, President of the Authority, Charles Gavie, Vice-President of the St. Lawrence Seaway Authority; C.W. West, Member of the St. Lawrence Seaway Authority; George A. Scott, Director of Economic Policy of the Department of Transport; A.G. Murphy, Chief Engineer of the St. Lawrence Seaway Authority and D.W.G. Oliver, Comptroller of the Authority.

REGULATIONS FOR FISHING-BOATS: A meeting between representatives of the fishing industry and the board of Steamship Inspection was held in Ottawa on January 10 and 11 to discuss a proposed set of regulations respecting the inspection of fishing vessels over 80 feet registered length. The meeting was opened by Brigadier C.S. Booth, Assistant Deputy Minister of Transport.

Alan Cumyn, Chairman of the Board of Steamship Inspection, who presided over the meeting said that "this making of regulations in consultation with a section of the shipping industry to which they are to be applied marks a high level of cooperation between a Government agency and private industry".

The proposed regulations deal particularly with fishing vessels, because it has been found that the application of cargo-vessel standards to this type of craft is impracticable and, in some cases, places undue hardship on the fishing industry. The regulations deal with the inspection of fishing vessels under construction, approval of plans, machinery, life-saving and fire-extinguishing equipment, also taking care of periodic inspections.

When completed the new regulations will be amended from time to time, as it is found necessary, by the Board of Steamship Inspection in consultation with representatives of the fishing industry.

Regulations respecting the inspection of fishing vessels under 80 feet registered length have already been drawn up by the Board in consultation with representatives of the fishing industry and are now before the Governor in Council for approval.

* * * *

CITY FAMILIES SPENDING ON FOOD: A survey conducted by the Dominion Bureau of Statistics in five metropolitan areas across Canada indicates that families with two to six members in the nation's larger cities spent in 1953 an average of \$6.94 per person on food every week.

The survey spanned the full year, the Bureau collecting records of the food expenditures of about 200 families in Halifax, Montreal, Toronto, Winnipeg and Vancouver each month. The survey families were selected by systematic sampling from a list previously drawn for the monthly labour force survey. Family incomes ranged from \$1,800 to \$6,500 a year.

The results of the study are published in a reference paper entitled "Urban Family Food Expenditure".

* * * *

AIR CADET PROGRAMME PLANNED: Twelve RCAF Air Cadet Liaison Officers from across Canada met in Ottawa on January 12 with staff officers from Air Force Headquarters and senior officials of the Air Cadet League of Canada for a two-day conference on RCAF participation in the 1956 plans and activities of more than 20,000 Air Cadets.

EDEN TO VISIT OTTAWA: Sir Anthony Eden, Prime Minister of the United Kingdom, and Mr. Selwyn Lloyd, Secretary of State for Foreign Affairs of the United Kingdom, will arrive in Ottawa from Washington on Friday, February 3, for an 8-day visit.

It is hoped that Sir Anthony will address a combined sitting of the Senate and the House of Commons in the Parliament Buildings. During the visit Sir Anthony and Mr. Lloyd will be the guests of the Governor General at Government House.

* * *

FOODS AND BEVERAGES: Factory selling value of products shipped by Canada's food and beverages industries in 1953 reached an all-time peak value of \$3,491,962,000, slightly above the previous high of \$3,472,517,000 the year before, according to the general review of the industries by the Dominion Bureau of Statistics. Preliminary estimates for 1954 indicate a rise of 4 per cent in value of shipments over 1953.

The number of establishments in the group fell to 8,129 from 8,263 in 1952 but the employees rose to 176,649 from 175,552 and salaries and wages to \$455,281,000 from \$429,-650,000. Cost of materials declined to \$2,-296,740,000 from \$2,333,089,000 but the net value of products rose to \$1,146,474,000 from \$1,091,944,000.

* * *

ARMY HELPS FLOOD-VICTIMS: "Royal Canadian Signals Corps personnel and communications equipment on the east coast have been mobilized in the Maritime areas hit by storm and floods," said an Army release of January 10.

"Troops of the 5th Signals Regiment, a Militia unit based at Charlottetown, Prince Edward Island, established a wireless circuit (still in operation) between Borden, Prince Edward Island, and Charlottetown, when ordinary utility poles toppled under crushing loads of ice."

"A Regular Army unit, the Eastern Command Signals Regiment, handled all messages last Friday between Halifax and Charlottetown when Canadian National Telegraph circuits failed. Although the CNT circuit now is in operation, members of the Army unit stood by Saturday and Sunday in case they would be needed."

"A request for help from the office of the Attorney General in New Brunswick sent members of No. 1 Line Troop, Royal Canadian Signals from Fredericton, into action in the Moncton area to help replace power poles."

"In Nova Scotia, Militia soldiers of the Nova Scotia Highlanders, equipped with modern army signals equipment, aided the RCMP in evacuating marooned civilians in the Bridgewater area."

"An additional 100 Regular Army troops, stationed at No. 1 Personnel Depot, Halifax, were ordered to stand by over the weekend but have not yet been called upon to assist."

RIGOROUS TRIALS FOR ARCTIC EQUIPMENT: A three-month programme to test army signals equipment under rigorous Arctic conditions is under way in the Far North.

The tests started last week, when the 31-man Signals field investigation team arrived at Fort Churchill, Manitoba. The group will see little of Churchill before mid-April, however, since they will spend most of their time in the northern wilderness, at distances up to 500 miles from the army outpost.

A wide range of equipment will be tested, including a powerful new mobile long-range transmitting and receiving station, completely self-contained in a single 1200-pound "package", which can be dropped on a sled by parachute from a transport aircraft. The station offers adequate shelter for its operators and is quickly assembled on the ground from a framework of aluminum tubing and canvas.

The 1200-pound package includes long and short-wave transmitting and receiving assemblies and is complete to the extent of providing chairs and tables for its operators.

The team will also conduct trials to determine the performance of radio-teletype circuits under extreme weather conditions, and will test other Signals radio and line equipment, including the new army field telephone.

* * *

ICEBREAKING ROUND THE CLOCK: Ice conditions on the Atlantic Coast and in the Gulf of St. Lawrence and in the lower St. Lawrence River were unusually heavy in the early part of this winter and exceptional demands were made on Department of Transport icebreakers and service ships to free shipping from ice-bound harbours and to escort late ships to open waters. At a time when everyone else was preparing for Yuletide festivities, the crews of departmental ships were battling heavy ice in carrying out their respective duties.

A review of the calls made on Department of Transport for assistance has been issued indicating that the work performed by the crews of the icebreakers and other departmental ships far exceeded the requirements in normal years.

The icebreakers "d'Iberville" and "Ernest Lapointe" are now breaking ice in the St. Lawrence River between Quebec and Three Rivers and the "N.B. McLean" is keeping the ice clear of the Quebec bridge and of the waters between Quebec City and Levis where the inter-city ferry operates. The "McLean" went down to Charlottetown early this month to free the freighter "Mexico" and escort her to open waters, then returned to the Quebec Area.

The ship "Edward Cornwallis", with headquarters at Halifax, was called upon to clear the harbour at Botwood, Newfoundland, where several ships were trapped in by ice which was reported as extending ten miles out. The "Edward Cornwallis" then proceeded to Sydney to assist shipping in the Strait.



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SPEECH FROM THE THRONE

SECURITY AND PROSPERITY: In his address to the House of Commons and the Senate at the opening of the Third Session of the Twenty-Second Parliament on January 10, the Right Honourable Vincent Massey, Governor-General of Canada, spoke in part as follows:

"...Since you last met there have been significant international developments. Some of them have been welcome as releasing tensions in certain parts of the world while others unfortunately have had the contrary effect. My Ministers remain convinced of the need to maintain the defences of the free nations as a deterrent to war. A strong North Atlantic Treaty Organization and adequate protection for this continent are in their view fundamental to the preservation of peace and the security of Canada.

"Security, however, cannot rest on arms alone. The Government, therefore, is continuing its constant efforts, through diplomacy and negotiation and through the United Nations and other international agencies, to bring about better understanding between nations.

"A meeting of Commonwealth Prime Ministers will be held in London in June to consider matters of mutual interest. My Prime Minister has accepted the invitation to attend.

"Meanwhile my Ministers are looking forward to the visit to Ottawa in February of the Prime Minister and the Foreign Secretary of the United Kingdom.

"The annual meeting of the Consultative Committee of the Colombo Plan agreed that this constructive work should be continued for a further period and you will be asked to authorize Canada's continued participation in the Plan, as well as in the United Nations Technical Assistance Programme.

"A Royal Commission has been appointed to consider and report upon the development and financing of television and sound broadcasting in Canada.

"The Royal Commission to examine and report upon our economic prospects is proceeding with its enquiry.

"The year just ended has been the most productive in our nation's history. More men and women have been employed than ever before. Our harvests have been abundant. Our trade has exceeded all earlier levels. A record number of houses has been built.

"Canada has enjoyed, on the whole, a high level of prosperity. Some sectors of the economy have not fully participated in this increased well-being. In particular, although sales of wheat in the past five years have been at record levels, an unprecedented series of bumper harvests has made necessary the storage of abnormal stocks of grain both in elevators and on farms. Lack of space in elevators has limited the ability of producers

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FISH FLESH FLOUR? Canadians of the future might well be eating bread made of fish. Small amounts of fish protein have already been mixed with flour in laboratory tests to obtain loaves of good appearance and taste, Dr. H. Fougere, of Halifax, Nova Scotia, reported recently to the annual meeting in Ottawa of the Fisheries Research Board of Canada.

Dr. Fougere told fellow scientists that the Atlantic Fisheries Experimental Station, of which he is acting director, had manufactured from fish flesh a protein, which was white, odorless and tasteless. A sample was kept exposed to light and air for six weeks without any change in taste or colour.

Bread, baked with flour containing 10 to 20 per cent of its weight of the fish protein, had an agreeable odor, it was reported. Assessment of the economic involved in the production of edible proteins awaits pilot plant assays.

* * * *

BORDER CROSSINGS UP: Volume of highway traffic crossing the border between Canada and the United States was 14 per cent heavier in November and the first 11 months of 1955 than in the preceding year. The Dominion Bureau of Statistics reports crossings at 996,000 in November versus 873,200 a year earlier and at 14,878,000 in the January-November period versus 13,001,000.

Traffic between Canada and the United States by rail, through bus, boat and plane in October was nearly 11 per cent heavier than in the corresponding month of 1954. Entries of foreign visitors by these means of transportation were 21 per cent heavier and the number of Canadians returning from visits to the United States advanced over 3 per cent. Cumulative data for the January-October period show an increase of 3 per cent in the total volume of traffic by long-distance carrier.

* * * *

CANADA'S OLYMPIC HOCKEY TEAM: Canada's hockey supremacy will be defended at the 1956 Winter Olympics, to be held at Cortina, Italy, from January 26 to February 5, by the Kitchener-Waterloo "Flying Dutchmen". The Canadian champions will play an exhibition game with a Scottish team in Paisley, Scotland, on January 16 and will meet Czech teams in Prague on January 18 and 19. After the Olympics, the "Dutchmen" will probably play several games with members of the Canadian forces in Western Germany.

Silver was produced in 1954 in eight of Canada's ten provinces—the exceptions being Prince Edward Island and New Brunswick—and in the Northwest and Yukon Territories. British Columbia, long the largest producer, had an output of 10,825,614 ounces, while Alberta had the smallest output at 18 ounces.

HOME OWNERSHIP INCREASES: Strong demand for home-ownership dwellings in Canada kept sales of newly completed units on a par with completions in the larger urban centres during the first nine months of 1955. Central Mortgage and Housing Corporation reported in its survey of housing statistics for the third quarter of the year. Despite a 35 per cent increase in the number of single-family and duplex dwellings completed in the metropolitan areas and major urban centres during the period, there were only 1,151 newly completed dwellings in January, 1955. The average period for which most of these dwellings remain unoccupied is about three months.

Relatively easy conditions in the mortgage market and a strong demand resulted in a large volume of lending in the third quarter of 1955. The value of mortgage loans approved by lending institutions amounted to \$375 million, 27 per cent more than in the third quarter of 1954. Loans under the National Housing Act totalled \$213 million for 22,059 dwelling units, 16 per cent higher than the previous year.

Most of the increased lending under the National Housing Act was by the chartered banks. The banks approved loans to the value of \$122 million, a 66 per cent increase for 12,766 units. The increased activity of the banks was accompanied by a reduction in the activity, under the Act, of the life insurance companies. The companies made NHA loans for 7,300 dwelling units in the third quarter of 1955 as compared with 9,554 units in the corresponding period of 1954. At the same time, however, the life companies increased their conventional lending.

* * * *

PRICE INDEX UNCHANGED: Canada's consumer price index remained unchanged during the last quarter of 1955, standing at 116.9 for October, November and December. Between November 1 and December 1 a decrease in foods was sufficient to offset increases in three of the four other indexes.

The food index declined 0.5 per cent from 113.0 at the beginning of November to 112.4 as lower prices were recorded for eggs and all cuts of beef and pork, particularly pork loins. Substantially higher prices were reported for oranges, and slight increases for practically all fresh vegetables.

An increase in the shelter index from 130.6 to 131.0 was due to slight upward movements in rents, residential property taxes and repairs. An advance in the clothing index of 0.6 per cent to 108.5, resulted almost entirely from higher prices for women's fur coats.

Household operation moved from 116.5 to 116.6 as higher prices for coal, laundry, dry cleaning and shoe repairs more than offset lower prices for some household supplies and floor coverings. The "other" commodities and services component was unchanged at 118.3.

MILITARY CLOTHING CONFERENCE: For many delegates, the Fifth Commonwealth Defence Conference on Clothing and General Stores at Fort Churchill, Manitoba, will be a study in climatic contrasts. The tri-service meeting is being attended by representatives of Australia, New Zealand, India, Pakistan, South Africa and the United Kingdom as well as Canada. A group of observers from the United States is also present.

Delegates from countries like Australia, where summer is now in full swing, are experiencing a startling difference in temperature at the northern base. The contrast is being carried even further. Although all types of northern clothing will be displayed and studied, clothing designed for use in steaming jungles or on deserts are also to be discussed.

The conference opened officially in Ottawa on January 13, when the Honourable Ralph Campney, Minister of National Defence, delivered an address of welcome at the Chateau Laurier Hotel. The following day, delegates were flown by RCAF aircraft to Churchill, where sessions will continue until January 27.

Primary purpose of the conference is to study progress made by Commonwealth countries in the design and development of service clothing and general stores. The sessions, however, will serve a twofold purpose. Most of the delegates will see part of Canada's vast sub-Arctic region for the first time and will observe some of the problems peculiar to this climate and terrain.

In addition to clothing, all types of Arctic survival equipment are on display at a camp-site in the area. The site includes an Eskimo igloo, a snow cave and a lean-to bivouac. Delegates are being shown how trained personnel can exist under conditions of extreme cold.

* * * *

RECORD NUMBER OF U.S. BRANCH PLANTS: An all-time peak in the number of new manufacturing industries coming to Ontario from the United States was reached in 1955, Ontario's Planning and Development Minister William M. Nickle declared recently.

"When the records for 1955 are complete, we expect that the new industries of American origin will have far outnumbered those established by Canadians themselves and all the other countries as well," said Mr. Nickle.

Pointing out the great advances of the past decade in this country's economy, Mr. Nickel said: "We in Canada have been able to set these records only because manufacturers from the United States took a good look at the Canadian economy, liked what they saw and decided that a share in Canada's future would prove to be a sound investment."

MECHANIZED CLAM DIGGER: The trend towards "automation" has now reached the clam flats of the Maritime provinces. A mechanized clam-digger has been developed which may eventually eliminate, or reduce to a large extent, the back breaking work which has been the traditional lot of the clam digger. However, labour saving is not the reason for developing this machine. Hand digging has been shown to be very destructive of young clams on the beach, and it is hoped that the power digger will reduce destruction and allow culture methods.

So far only one such machine has been built in Canada. It was made for the federal Department of Fisheries by the staff of the Atlantic Biological Station of the Fisheries Research Board of Canada at St. Andrews, New Brunswick.

Results so far have been encouraging. In tests at Clam Harbour in Halifax County, Nova Scotia, it harvested clams to a depth of 14 inches from 1,200 square feet of bottom in one hour. It is 90 per cent efficient in harvesting small clams from half an inch to an inch long from the upper six inches of soil and 50 per cent efficient in taking larger sizes. In its present form the digger can be useful on high flats where there are plenty of young clams but where growing conditions are poor. The young clams can be transplanted to better growing areas. Last summer over three-quarters of a million young clams were harvested and transplanted to beds where they can be studied so that the advantage of transplantation can be measured.

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CRUISE FOR CADETS: A two-month training cruise for cadets of HMCS Venture, naval officer training establishment at Esquimalt, British Columbia, will get under way late in January and will include visits to San Francisco, Pearl Harbour and the Far East.

The training cruiser HMCS Ontario, commanded by Captain David W. Groos, of Victoria, B.C., will sail from Esquimalt on January 27, with approximately 80 cadets embarked. She will be accompanied throughout the entire cruise by the destroyer escort HMCS Sioux.

Rear-Admiral H.F. Pullen, Flag Officer Pacific Coast, will fly his flag in the Ontario as far as Pearl Harbour. In addition to the Sioux, five other units of the Pacific Command's Second Escort Squadron, under Captain Paul D. Taylor of Victoria, will accompany the cruiser as far as Hawaii. They are the destroyer escorts Cayuga and Athabaskan and the frigates Jonquiere, New Glasgow and Stettler.

The cadets, all in their first or second years at HMCS Venture, will receive practical training in seamanship, navigation, communications and other subjects while on board the Ontario. In addition, their normal classroom studies will be continued during the cruise.

STUDY ARCTIC FISHERIES: Two men are spending a lonely winter vigil at Igloolik, a small remote Arctic settlement in Foxe Basin, so that Canada can become better acquainted with the marine resources in its far northern waters. Both men, staff members of the Fisheries Research Board of Canada, are living on the ketch "Calanus", specially built for Arctic work. The vessel is frozen in safely in a protected bay at Igloolik about 15 miles east of Melville Peninsula, which juts northward toward Baffin Island. In this same bay Sir W.E. Parry, commander of an expedition that solved the ancient problem of a Northwest Passage, brought his ship to anchor in 1820.

Wintering with the "Calanus" are Dr. E.H. Grainger of Montreal, an expert in Arctic fisheries and marine biology, and Captain Hans Andersen, a 32-year-old veteran of many Arctic sailings. An Eskimo family is camped by the vessel, and sled trips are being made to study the wintering areas of walrus in Foxe Basin and marine resources in the general area.

Canada's fishery surveys of its eastern and western Arctic regions to date have shown that, although there is room for considerable increase in the use of fish by native populations, the slow growth of marine life in the cold northern waters prevents the possibility of sustained commercial yields.

"With the opening up of Arctic areas proceeding at an ever-increasing rate," a recent FRB report said, "we are faced with the fact that much is unknown about the marine resources of the tremendous regions involved." The report added, that the growth of interest and activity in Canada's northland had increased significantly the Board's responsibilities in Arctic affairs.

* * * *

PACIFIC USE FOR DEPTH BOMBS: A new use has been found for the depth charges used so extensively to combat enemy submarines during the Second World War.

Depth charges were employed this summer in determining structural features in the Sable Island region and in the Gulf of St. Lawrence, it has been reported by the Canadian Joint Committee on Oceanography.

The RCN, the RCAF, the Hydrographic Service, the Department of Transport, and the Nova Scotia Research Foundation assisted in the project.

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ADVERTISING EXPENDITURES: Total expenditure in Canada on advertising in 1954 amounted to an estimated \$395,053,843, according to a preliminary report by the Dominion Bureau of Statistics on the results of a special survey. This total compares with \$104,925,535 ten years earlier, when the Bureau last made a similar survey.

A-ENERGY IN TAR SANDS EXPERIMENTS: Atomic energy has been successfully utilized by the Alberta Research Council in an experiment dealing with the province's petroleum industry. The test, completed in 1955, solves another problem dealing with the extraction of petroleum from the McMurray oil sands and provides a principle which is useful in other phases of oil production.

The study was undertaken primarily to solve a perplexing problem dealing with heavy oils. Earlier, the Council had developed the feasible "hot-water method" of extracting crude oil from the oil sands. However, in the final wet-oil product, minute particles of sand were held in suspension. When the oil was placed in storage tanks, the sands slowly settled to the bottom where they were cleaned out at intervals.

But if the hot water method of extraction was to be introduced on a large scale, a vital piece of information was lacking. There was no way of knowing how long it would take for the sand to settle before refining or transportation through pipelines could begin. If the oil was used too early, it would be impure; if there was too great a delay, it would mean a loss of production through an unnecessary slowdown.

CONTROL METHOD

Building an apparatus to control the temperature, mixture, and viscosity of the oil, the Council reconstructed the problem in its laboratory on the University of Alberta campus. A mixture of oil and water of the same type resulting from the hot-water process was produced and placed in a temperature-controlled six-foot settling tube.

It was here that the use for atomic energy was evolved. In order to measure accurately opaque mixture, arrangements were made with the atomic energy plant at Chalk River, Ontario, to obtain six radio-active steel balls ranging in size from one-sixteenth to three-eighth inches.

Geiger counters were set in thick lead blocks with a narrow slit on one side. One was bolted in place near the top of the settling tube and another near the bottom.

When the experiment was ready to begin, a radio-active ball was dropped into the top of the settling tube. When the ball passed the upper Geiger tube, the gamma rays from the radio-active sphere caused a reaction which was recorded by an electrical indicator. As it passed the second tube at the bottom, another signal was given. Repeating the experiment with various types and weights of mixtures, the Council was able to obtain a complete understanding of the factors influencing the rate of fall of solid particles. This formed a principle which then could be applied to any regular or irregular sized solid which might pass through such a mixture.

1956 STRATFORD PROGRAMME: Michael Langham, Artistic Director of the Canadian Stratford Shakespearean Festival, outlined recently the programme and players of the Canadian Festival's fourth annual season at Stratford, Ontario, next summer. He named Shakespeare's comedy "The Merry Wives of Windsor" as the second production of the season to be produced along with "Henry V", which was announced earlier. The two Shakespearean plays will alternate during the nine-week Festival, now scheduled from June 18th to August 18th.

Christopher Plummer, Montreal actor, currently taking a lead role in the Broadway production of Jean Anouilh's "The Lark" will play the title role in "Henry V". He will have leave of absence from the Broadway production in order to play at Stratford, Ontario, during the summer.

Douglas Campbell, British actor who has appeared with the Canadian Festival company for the past three seasons and who is currently touring Canada with Canadian Players, will play Falstaff in "The Merry Wives of Windsor". Gratien Gélinas, Montreal actor better known to Canadian audiences as "Ti-Coq" or "Fridolin", will be appearing in "Henry V" with Jean Gascon, Director of Montreal's Le Théâtre du Nouveau Monde and other members of the French-Canadian theatre.

MERRY WIVES

The "Merry Wives" in the Shakespearean comedy will be played by Pauline Jameson, of the Old Vic, London, and Helen Burns, who appeared with the Festival company last season. Miss Jameson will play Mistress Page with Miss Burns as Mistress Ford.

Principals of the Stratford Festival Company returning to Stratford next season include such well known members as William Hutt of Ottawa, who will play Canterbury in "Henry V" and Ford in "The Merry Wives of Windsor"; Eric House, playing Fluellen in "Henry V" and Caius in "The Merry Wives of Windsor", and Robert Goodier of Montreal as Exeter in "Henry V" and "Mine Host" in "The Merry Wives". William Needles, lead in the Festival company during its first two seasons, will be back as Chorus in "Henry V" and as Evans in "The Merry Wives of Windsor", while Richard Easton, who left the Festival company after its first season to work in England, will return to play roles in both productions.

Mr. Langham also announced that arrangements have been made to present the company of Le Théâtre du Nouveau Monde (playing some of the French roles in "Henry V") in selections of the Molière repertory which they took to the Paris Festival last summer. Featured along with the Molière plays will be a new revue by Gratien Gélinas, scheduled to open in Montreal in March, to be translated into English for Stratford. Mr. Langham also reported that a film festival is being organized.

NEW QUEBEC AIR TERMINAL: With the excavation for the Foundation of the new \$750,000 Airport Terminal Building at Quebec airport at Ancienne Lorette, P.Q. nearing completion, the Honourable George C. Marler, Minister of Transport, has announced additional details of the new building.

To complete the setting of the building as a showplace for the City of Quebec, a certain amount of landscaping will be done in keeping with its architectural lines. A large parking area will be developed at the airport, in stages, as traffic demands.

Considerable study was made during the preparation of the plans of this building to allow for future expansion, Mr. Marler said. This expansion may be done by adding to the length of the building or by constructing additional accommodation on the second floor, since the present steel structure is designed to carry this future additional load.

Description of the new building follows:- The building will be constructed of a structural-steel skeleton finished on the exterior with brick walls relieved on the main facades by local stone.

The floors throughout the main public areas will be finished in contrasting patterns of polished terrazzo. The lower part of the walls in these areas will be of cement enamel in pleasing colours contrasting with a painted plaster wall above. The ceilings will be acoustic tile in order to reduce to a minimum the noise level in these areas. The lighting fixtures and loudspeakers of the public address system are to be recessed into the ceiling in order to give a flat, unbroken, spacious atmosphere.

The upper floors containing offices will have linoleum floors, plaster walls, and acoustic ceilings where necessary. The construction of the second floor is of special design to permit ready accessibility of telephone, teletype, power or other cables to serve any position in these rooms, now or in the future, without damage to the floor.

* * *

FEDERAL GOVERNMENT EMPLOYMENT: Classified civil servants on the payroll of the Federal Government in September numbered 141,868, up from 141,277 a month earlier and 140,142 a year ago. Their earnings rose to \$36,828,115 from \$36,753,784 in August and \$35,866,683 in September 1954.

Prevailing rate employees numbered 25,531, down from 26,215 in August but up from 25,383 a year earlier. Their earnings were \$5,403,-156, down from \$5,569,700 a month earlier but up from \$5,257,700 in 1954. Ships' crews fell to 2,275 from 2,515 in August and 2,412 the previous year and their earnings to \$549,565 from \$603,621 and \$592,651 respectively.

SPEECH FROM THE THRONE

(Continued from p. 1)

to deliver grain as early as usual in the marketing year. In order to provide an immediate source of funds where they may be needed, my Ministers will ask you to authorize guarantees for bank loans to producers secured by their grain.

"You will also be asked to authorize the Treasury to bear the cost from August 1, 1955, of storage and interest charges on wheat held by the Wheat Board over and above its normal carryover levels. As a consequence of this arrangement, returns to producers will not be depressed by carrying costs on abnormal carry-over.

"A higher level of employment this winter than last seems to be assured and the improvements you made to the Unemployment Insurance Act last year will provide a better coverage for those who are temporarily without work, particularly in the winter season. Various departments and agencies of government have sought to arrange their construction programmes to provide more employment during the winter season. It is gratifying to note that many other employers are endeavouring to follow the same policy.

DOMINION PROVINCIAL CONSULTATION

"In October my Ministers held a conference in Ottawa with the Premiers and other Ministers of all the provinces to consider financial and other relations between the federal and provincial governments. Following this useful discussion and some further correspondence, my Ministers have placed before all provincial governments a specific proposal for federal-provincial fiscal arrangements to commence next year.

"The conference established a committee of Ministers from all governments to consider health insurance programmes and the work of this committee is now under way.

"My Ministers have also conferred with provincial Ministers to consider and develop an arrangement for sharing the costs of assistance to unemployed persons not eligible for unemployment insurance benefits, and in need. Detailed agreements have been submitted to the provinces. You will be asked to approve the legislation necessary to implement this programme.

"You will be asked to provide for the construction, jointly with the government of Ontario, of a gas pipe-line across northern Ontario from the Manitoba boundary to Kapuskasing, to be leased to Trans-Canada Pipe Lines Limited, which is to build connecting lines in eastern and western Canada. My Ministers consider that government participation is necessary to make this important national project possible at this time.

"You will also have laid before you amendments to the Trans-Canada Highway Act to accelerate the completion of essential links in the Trans-Canada Highway and to continue, in

cooperation with provincial governments, the work of constructing that highway up to the agreed standards.

"Amendments to the National Housing Act will be laid before you. The rapid growth of our centres of population has been a spectacular feature of our national development since the last war, and in that growth wide use has been made of the National Housing Act by our citizens, particularly in suburban areas.

"One amendment now to be proposed is designed to increase assistance to encourage redevelopment of older sections of our cities to their best use.

"Early last year the home improvement section of the Act was proclaimed. It has contributed greatly toward the betterment of many existing houses. An amendment will be laid before you to increase the amounts of loans available for this purpose.

"A joint committee of both Houses will be proposed to review the progress and programmes of the Federal District Commission in developing the national capital.

"In the field of industrial development you will be asked to extend the scope of the Industrial Development Bank. You will also be asked to increase the size of loans which may be made by the Canadian Farm Loan Board and to amend the Farm Improvement Loans Act.

"My Ministers also plan to introduce a bill to provide that women receive equal pay with men for equal work in industries which are under federal jurisdiction..."

* * * *

CÔTÉ MEMORIAL BUILDING: Public Works Minister Robert Winters announced recently that the new federal building to be erected at St. Johns, Quebec, will be named the "Côté Building" in honour of the former Postmaster General, the late Honourable Alcide Côté. Mr. Côté was a native of St. Johns. He died at his home there on August 7th, 1955.

A direct descendant of Jean Côté, one of the first settlers of Canada, the late Postmaster General was born at St. Johns on May 19th, 1903. He was educated at St. Johns College and at the University of Montreal, where he obtained his B.A. and LL.B. degrees. In 1943 he was appointed King's Counsel and three years later he was elected Director of the Rural Bar Association of the Province of Quebec and re-elected the following year.

In the Federal political field, Mr. Côté was elected by the constituents of St. Johns-Iberville-Napierville to the House of Commons on June 11, 1945, and re-elected in 1949. On February 13th, he was made a member of the Federal Cabinet and appointed Postmaster General, a position he held until his death.

As the delegate of the Canadian Federation of Mayors and Municipalities in 1948, Mr. Côté attended the International Union of Cities conference at The Hague, Holland, and during the same year was granted honorary citizenship of the city of Dunkirk, France.



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THE DIPLOMATIC TWELVEMONTH IN RETROSPECT

NEW YEAR'S MESSAGE: The following is the complete text of the brief annual broadcast on international events made by the Secretary of State for External Affairs, Mr. Pearson, during the Christmas-New Year's season:

For those concerned with international relations, and for those devoted to the long quest for peace and security and international justice, this has been in many respects a turbulent and disappointing year, and we shall enter 1956 with many anxieties. During the coming year, it seems evident that we shall need all the patience, good sense and resolution which we can command.

When I spoke on this programme a year ago, the principal international problems were as follows: relations between the Soviet and the free world; disarmament and the menace of atomic warfare; the unification of Germany; friction and violence in the Near East and serious unrest in many parts of the world, notably North Africa, Indochina and Formosa.

These problems are still with us; and it would not be difficult for a pessimist or a cynic to compile a list of our failures and of our disappointments during the last 12 months.

It must, however, be remembered that these international problems, and the circumstances in those areas where peace is uncertain, have been the consequence of many centuries of world history; and it is unrealistic to expect that progress from year to year in their solution will be easy, inevitable and cumulative.

We must, it seems to me, be prepared to accept setbacks and disappointments without giving way to despair; and to take comfort and courage from what has in fact been accomplished without becoming complacent.

If this has been a difficult year for all of us, we are ourselves in some measure to blame. We expected, for example, far too much from the Summit Conference in July; and then, later, we tended to go to the other extreme of dejection when the results of the later Ministerial Conference in Geneva proved so disappointing.

In this problem of the relations between the Soviet and the free world we have gained this year at least one very solid advantage - we now have far more knowledge of policies and objectives of those we fear. If we have the wisdom to benefit by what we have learned, we shall not a second time allow ourselves to become too elated by successes or too dejected by failures as we face and deal with the tortuous and contradictory tactics and policies in which the dictators of Russia indulge.

While sharing the disappointment felt about many of the events of 1955, I believe that in many matters important progress has been made. At the Tenth Anniversary Assembly at the United Nations, for instance, the deadlock on the acceptance of new members has been very

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**THE DIPLOMATIC TWELVEMONTH
IN RETROSPECT**

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largely broken. We are happy that Canada was able to make an important contribution to this objective. We still think it most unfortunate that the United Nations will not have the benefit of a delegation from Japan; but the acceptance of 16 new members, thus making the United Nations more nearly a universal body, is clearly an important forward step. Nor have we given up, nor will we give up, the search for an agreement by which armaments can be reduced and atomic weapons outlawed.

Another achievement of the United Nations this year has been the decision to set up an international agency for the peaceful uses of atomic energy. This has brought great satisfaction and hope to those areas of the world, and there are many of them, in which the absence of a cheap and continuous source of power has been a principal reason for lack of progress in economic development.

There are other UN achievements. The unspectacular but vital work of the Specialized Agencies of the United Nations has continued, and a good fight is going on against ignorance, disease, poverty and misfortune.

PROGRESS OF NATO

Also during the year NATO has grown in strength and unity and remains our most effective deterrent against aggression. Our progress here is an answer to those who hope that in an atmosphere of relaxation of tension NATO will weaken and fall apart. This is, of course, a danger, but it can be met by strengthening the non-military aspects of our association - and by rejecting all temptations to weaken our defences merely because of Communist blandishments.

During the year, NATO and free Europe have been strengthened and made more secure by the decision of Germany to join the company of Western European nations prepared to unite their efforts to defend their freedom. It is reassuring to know that our new associates resolutely refuse to accept Soviet terms for the reunification of their country which could result only in their becoming one more Communist satellite. We of the NATO alliance welcome free Germany to our association and we look forward to the time when she will be re-united in dignity, freedom and in safety.

In Asia and the Middle East, while there has been no armed conflict during the year (except sporadically but dangerously on the borders of Israel) difficult and complicated problems remain to be solved. Korea and Vietnam remain divided while the two Chinese regimes continue to face each other with implacable hostility; at one point with only a few miles of water between them. No one can be other than anxious about the prospects for peace in the Far East while this situation

continues, especially when each of these Chinese regimes has power and support behind it from outside.

The Soviet Union, in pursuance of its policy of "all conflict short of war" is fishing - and scattering bait - in these troubled Asian and Middle Eastern waters. This is not reassuring in assessing the prospects for peace.

Turning closer to home, we in Canada rejoice in our continued friendly relations with all countries of the world whose motives we can trust, whose policies do not threaten peace, and who use language in a sense which seems to us intelligible and sincere. Particularly with the nations of the Commonwealth and the United States are those relations very close and very important. We will do our best to keep them so, and also to improve relations with those who have given us heretofore more cause for fear than friendship..

1956 will certainly have its problems, but these need not cause any despair. We must be resolute but not provocative; patient, but not indifferent. If we can, and if the free governments can work together for good purposes, it may be possible a year hence to report real progress toward peace and security in the world.

* * *

STRANGE FISH IN CANADIAN WATERS: During the past few years, the fishermen of Canada's Atlantic coast have been getting an increasing number of strange specimens, most of them ordinarily found in tropical waters. One reason for this may be the gradual warming up of the North Atlantic noticed by oceanographers. Or they may simply be individual "displaced fish".

Usually, when a fisherman sees something strange in his net or on his line, he sends it to one of the biological stations of the Fisheries Research Board of Canada, which in the Atlantic coast area are at St. Andrews, New Brunswick, and St. John's, Newfoundland. At the recent annual meeting of the Board in Ottawa, these stations reported more of such alien wanderers in Canadian waters than are usually found in the course of a year. The list included the frigate mackerel, oceanic bonito, scup, pilotfish, weakfish, rudderfish, orange filefish, horseshoe crab, wolf eel, and a giant leatherback turtle.

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SUPersonic MISSILE TESTS: Operation "Frost Jet", cold weather tests of NIKE, the supersonic anti-aircraft guided missile developed by the United States Army, will be resumed in the Fort Churchill, Manitoba area this winter.

The tests are designed to determine the effects of extreme low temperatures on the complex component parts of the NIKE weapon system. They will be conducted from January through March, and, if necessary, will be extended through the winter of 1956-57.

"PINEAPPLE" GRENADE RETIRED: A hand grenade which gave yeoman service in two world wars and in Korea is to disappear from the Canadian Army.

Army Headquarters announced lately that it will shortly replace the Number 36 Grenade with the US-developed M26 Grenade. The decision has been reached after extensive trials at the Royal Canadian School of Infantry, Camp Borden, Ontario, and also at Fort Churchill, Manitoba.

The new grenade was described as lighter, more lethal and more easily handled by the infantry soldier than is the 36.

The old-style is an offshoot of the First World War 1914-18 while the M26 is a grenade developed during the Korean conflict in a search for a lighter, more effective close combat weapon for the infantry soldier.

One of the big features of the new grenade for the Canadian soldier is the elimination of the awkward, overhand cricket lob which had to be used with the 36. The soldier can throw the M26 exactly as he would a baseball because this grenade is lighter in weight. Officials feel such a throw, coming naturally to the Canadian, will cut training time considerably.

With the baseball throw, accuracy with the M26 will be greatly increased. This was one of the more decided drawbacks of the 36; pinpoint accuracy was hard to attain while using the unnatural cricket lob.

Distance with the M26 is also increased. The average soldier could toss the old-style weapon slightly better than 25 yards. Average distance for the M26 is about 35 yards.

While there is a decrease in weight in the new grenade, there is a marked increase in the number of lethal particles it discharges on explosion.

Both grenades are equipped with a fuse which begins to burn after the release of safety lever and striker arm. In the case of the 36 Grenade, however, the fuze must be inserted by the soldier before use. The M26 contains a pre-sealed fuze which eliminates the requirement for daily cleaning. This also means less handling of the grenade by the soldier when preparing it for firing, and is therefore safer to use.

* * *

CORPORATION PROFITS: Corporation profits before deduction of income taxes were estimated at \$847,000,000 for the third quarter of 1955, an increase of \$215,000,000 or 34 per cent over last year's third quarter estimate of \$632,000,000. Cumulative profits before taxes for the nine months ending September amounted to \$2,236,000,000, up \$407,000,000 or 22.2 per cent from the estimated \$1,829,000,000 for the corresponding 1954 period.

In last year's third quarter income tax liabilities increased an estimated \$77,000,000 or 25.2 per cent to \$382,000,000 from \$305,-

000,000 a year earlier. Income taxes for the third quarter of 1955 were estimated at 45.1 per cent of profits, whereas, for the comparable period of 1954, they were estimated at 48.3 per cent of profits. Income tax liabilities for the nine months ending September increased an estimated \$134,000,000 or 15.1 per cent to \$1,024,000,000 from \$890,000,000.

Corporation profits after taxes rose an estimated \$138,000,000 or 42.2 per cent to \$465,000,000 in last year's third quarter from \$327,000,000 a year earlier. For the nine months ending September, estimated profits after taxes increased \$273,000,000 or 29.1 per cent to \$1,212,000,000 from \$939,000,000 in 1954.

* * *

OFFICERS TO STUDY CURRENT AFFAIRS: Nineteen senior Canadian officers stationed in Europe will attend a precedent-setting conference at Christ Church, Oxford University, England, early in January. The conference, under direction of the Canadian Bureau of Current Affairs, will be unique- the first time any NATO country has invited officers of other member nations to attend a course on international affairs designed originally for its own senior officers in the field.

Two naval, nine army and eight RCAF officers are slated to attend the three-day conference which will be opened January 3 by Lord Ismay, Secretary General of the North Atlantic Treaty Organization. Besides the Canadian officers, there will be representatives from the United Kingdom, USA, Germany, Iceland, Italy, Norway and Turkey.

Presiding Chairman will be Seymour Archbold of Victoria, British Columbia, current affairs advisor to the Canadian forces in Europe. The panel of lecturers will include five internationally recognized experts on world affairs. They are Oxford faculty members- Professors Norman H. Gibbs, H. Seton-Watson and G.F. Hudson. Also on the panel are British Army officers, Brigadier S.H. Longrigg and Colonel G.S. Jackson.

On the lecture agenda are such subjects as the political and economic aspects of the Atlantic, Southeast Asia and the Far East; Yugoslavia and the Balkans; Western Europe; aspects of European defence and the U.S.S.R.

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PEAK YEAR FOR MINERALS: Continuing its steady climb since 1944, the production of minerals in Canada during 1955 broke all previous records with a value of \$1,778,400,000. This was \$290,000,000 (or almost 20 per cent) above the preceding year's \$1,488,000,000, and more than three times 1942's wartime peak value of \$556,769,000.

All provinces except Nova Scotia reported increases in mineral values. The Nova Scotia decrease was due to the continued falling off in the output of coal.

NATIONAL CONFERENCE ON HEART DISEASE: Canada's public health and medical research resources are being marshalled in the nationwide attack on heart disease, it was stated recently by the Honourable Paul Martin, federal Health and Welfare Minister. Mr. Martin was commenting upon the National Heart Conference which he is convening in Ottawa on Monday, January 16.

Some 25 to 30 specialists outstanding in the diagnosis and treatment of heart disease, as well as in research related to it, are expected to attend the conference and to pool their knowledge and experience with heads of Canada's public health services. Mr. Martin said that this conference, called at the request of the Canadian Heart Association and with the endorsement of the Canadian Medical Association, is for the purpose of consolidating and co-ordinating efforts already extended by his department and other agencies to cope with this major health hazard.

Among those expected to attend Canada's first major heart conference are representatives of provincial branches of the Canadian Heart Association, leading medical authorities on heart disease, representatives from university medical faculties and provincial public health officers. This will present the first opportunity for consideration of this problem at the national level.

SUBJECTS FOR DISCUSSION

The purpose of the meeting is to provide for a general discussion of problems related to heart disease as a leading cause of death; to examine and evaluate currently employed measures and to consider further steps that may be instituted to combat it.

In announcing the conference, Mr. Martin pointed out that much effective work is being done by professional and voluntary groups and that the Canadian medical profession enjoys an eminent reputation in this area, certain of its members having achieved international acclaim for their contributions in the diagnosis and treatment of this disease. In calling the conference, the Government is making it possible for interested authorities to come together, exchange views and lay the foundation for the continuing assault on heart disease.

Facilities related to the fight against heart disease, the Minister said, have been provided at strategically-located hospital and university centres in the provinces, particularly in Toronto and Montreal. Much of the federal financial aid has been contributed to research, but considerable sums have also been made available to the provinces for the installation of specialized and technical equipment for diagnosis and medical and surgical treatment.

Federal aid already provided for in this field will amount to more than three quarters of a million dollars by next March. It is expected that the respective roles of federal

and provincial government authorities in the public health field, and the parts to be played by the medical profession, voluntary agencies and public-spirited citizens in an intensified and carefully-oriented campaign against heart disease, will be considered at the National Heart Conference.

* * *

VOLUME OF 1953 FOREST PRODUCTION: Volume of Canada's forest production in 1953 was 0.4 per cent higher than in the preceding year but the value was 3.9 per cent lower, according to final estimates by the Dominion Bureau of Statistics. The year's cut amounted to 3,579,-336,000 cubic feet valued at \$783,546,958 as compared with 3,565,609,000 cubic feet valued at \$815,651,194 in 1952. Preliminary estimates for 1954 indicate an increase in volume to 3,660,828,000 cubic feet.

According to the last available estimates, Canada (including the island of Newfoundland but not Labrador) possesses 417,823 million cubic feet of merchantable timber, of which 288,232 million cubic feet are considered to be accessible to commercial operations. The accessible timber consists of 640,509 million feet board measure of material large enough for saw timber and 1,884 million cords of smaller material.

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HOUSING APPRAISALS RISE: General increase in the basic rates of appraisal for home building under the National Housing Act, 1954, was announced recently by Stewart Bates, president of Central Mortgage and Housing Corporation. The revised rates are already in use by Corporation field offices.

Lending values for loans insured under the National Housing Act are determined by Central Mortgage, and an increase in the basic appraisal rates has the effect of raising the level of such loans. Basic appraisal rates apply to the building alone when lending values are being determined. Land value, another component of the total value of a loan, is under continuous review in the different localities.

The present increases vary from one area to another according to local conditions.

* * *

RAILWAY SALARIES: At the end of last year average annual salaries and wages in the transportation division of Canadian railways were highest for road passenger engineers and motormen at \$6,813, road passenger conductors at \$5,926, yard engineers and motormen at \$5,675, road freight conductors at \$5,617, road passenger firemen and helpers at \$5,533, train despatchers and traffic supervisors at \$5,477, road freight engineers and motormen at \$5,282, yard conductors and yard foremen at \$5,040 and yardmasters and assistants at \$5,004.

CANADIAN HYDRO-ELECTRIC CAPACITY CONTINUES TO INCREASE

REVIEW FOR 1955: New generating capacity of 839,630 horse-power was added during 1955 to Canada's hydro-electric industry. This five per cent increase brought total installed capacity of hydro-electric power plants to 17,531,536 horse-power at the end of the year.

Active development of hydro-electric generating capacity to meet expanding industrial needs and increasing consumption by business and domestic users is described in the annual statement on Canadian hydro-electric progress made on December 30 by Resources Minister Lesage. The review is based on a survey conducted each year by the Water Resources Branch with the co-operation of provincial governments and power producing and distributing agencies.

POWER PROSPECTS

The increase in generating capacity during 1955 was less than the average increase for the last five years, Mr. Lesage noted, but projects now under construction would add approximately 1,000,000 horse-power in 1956 and the same amount in 1957, while projects in preliminary stages will provide approximately 4,000,000 horse-power in later years. Only 27 per cent of Canada's total water power resources was harnessed at the end of 1955.

The greatest single addition to hydro-electric capacity in 1955 occurred in the Sir Adam Beck-Niagara Generating Station No. 2 of the Ontario Hydro-Electric Power Commission, where five units totalling 525,000 horse-power were added to the plant. This accounts for more than half the total new capacity added throughout Canada during the year. Ontario hydro-electric projects under construction are the massive St. Lawrence Power Project, which will attain a capacity of 1,200,000 horse-power by 1960, the 74,000 horse-power Manitou Falls generating station scheduled for completion in 1956, and the Whitedog Falls generating station which will provide 243,000 horse-power in 1957.

Quebec hydro-electric construction, stimulated by mining developments and growth in the aluminum industry, continued its expansion during 1955. Shawinigan Water and Power Company added 158,500 horse-power with the installation of new units in its three St. Maurice River plants and Northern Quebec Power

Company added 34,500 horse-power to the capacity of their Quinze Rapids plant. The Quebec Hydro-Electric Commission made rapid progress in construction of the 1,200,000 horse-power Bersimis River plant scheduled for initial output in 1956.

British Columbia added little new capacity during the year but much new construction was under way. Major project completed during the year was the re-development of the B.C. Power Commission's Puntledge River site on Vancouver Island to provide 35,000 horse-power capacity. The fourth unit of Aluminum Company of Canada's Kemanoh plant, which will provide 150,000 horse-power, is slated for service early in 1956, while total capacity of the plant will reach 750,000 horse-power by 1957.

PRAIRIE POWER

Manitoba, Saskatchewan, and Alberta continued development of their generating potential. Four 10,000 horse-power units were added to the McArthur Falls plant of the Manitoba Hydro-Electric Board, bringing total capacity to 80,000 horse-power. In Saskatchewan, which depends largely on thermal engines for power production, new generating units were completed at Kindersley and Swift Current. The power resources of Alberta's Bow River were tapped further by Calgary Power Limited, which completed the 18,400 horse-power Pocaterra plant and the 6,900 horse-power Interlakes plant.

The Nova Scotia Power Commission completed its 6,240 horse-power development on the Mersey River while the New Brunswick Electric Power Commission has started development of the Beechwood site on the Saint John River, which will provide 90,000 horse-power by the spring of 1958. In Newfoundland, the 2,000 horse-power turbine of Union Electric Light and Power Company's Trinity River plant was expected to be in service by late December, with a second similar unit to be added in 1956.

An 800 horse-power plant built by Yukon Hydro Company Limited on McIntyre Creek near Whitehorse brought total Yukon hydro-electric capacity to 2,190 horse-power. Northwest Power Industries Limited continued investigations into storing water in lakes in the Yukon River's headwaters for a planned 880 horse-power development in northern B.C.

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GOVERNOR-GENERAL ATTENDS "TAMBURLAINE": On Saturday evening, January 7, the Right Honourable Vincent Massey, Governor General of Canada, attended the Stratford Festival Foundation and Producers' Theatre production of "Tamburlaine the Great" at the Royal Alexandra Theatre in Toronto.

Mr. Massey came from Ottawa to Toronto expressly to see the Canadian production, which features the Festival Company from Stratford, Ontario, with British artists Anthony Quayle and Coral Browne in the lead. The play is under the direction of Tyrone Guthrie, director of the Canadian Festival productions for the last three seasons.

PROGRESS ON TRANS-CANADA HIGHWAY: Public Works Minister Robert Winters stated recently, in his year-end report on the Trans-Canada Highway, that he would ask Parliament during the coming session for authority to raise the total federal contribution toward Trans-Canada Highway construction in the provinces from \$150-million to \$250-million. Every possible effort would be made to cooperate with the provincial governments in concentrating construction on gap closing and paving operations along the Highway in order to accelerate the completion of this important project.

On November 14 and 15, 1955, at the conference of federal and provincial ministers in Ottawa, Mr. Winters pointed out that, excluding Quebec, the length of the Highway is 4,580 miles. This includes 83 miles in Banff and Yoho National Parks in the Canadian Rockies. Of the total, 2,583 miles or 63 per cent is now paved, approximately 1,315 miles or 30 per cent to Trans-Canada Highway standards. On 1,727 miles or 37 per cent there is no paving. Included in this latter total is about 250 miles where there is no highway of any kind. To date the Federal Government has paid \$73-million to the participating provinces as its half share of the costs of construction.

In an all-out effort to close the gaps and finish the highway, the Federal Government has undertaken to pay 90 per cent of the cost of building 10 per cent of the mileage of the Trans-Canada Highway in each province. This is approximately the length of the longest "gaps". The understanding is contingent upon a good highway being completed by March, 1961 and the provinces maintaining future expenditures at or beyond their average outlay on the Highway during the years 1954 and 1955.

* * * *

NEW FISH REFRIGERATION METHOD: Small-scale experiments on the transportation and storage of fish in refrigerated sea water have proved so successful that a large-scale test has been planned, according to a report presented recently to the annual meeting of the Fisheries Research Board of Canada by its Pacific Experimental Station at Vancouver.

For last year's tests, three tanks were fitted into the 60-foot fish-packing vessel. The ship had a capacity of about 40,000 pounds of fish. Sea water was circulated through the tanks by centrifugal pumps and maintained at a temperature of 30 degrees Fahrenheit.

The quality of fish kept in the tanks was excellent; its appearance and firmness were unusually good. For commercial fishing, the system offers considerable improvement on present handling methods in the quality of the fish caught. Crushing is practically eliminated and loading and unloading are simplified.

Plans are now under way, in cooperation with the Industrial Development Service of the Department of Fisheries, to extend the investigation to a halibut vessel having a capacity of 110,000 pounds of fish.

OPERATIONS RESEARCH MEETING: An estimated 300 Canadian and United States scientists met to discuss recent developments in the field of operational research, a scientific activity created during the last war in the United Kingdom, at the first Canadian meeting of the Operations Research Society of America in Ottawa on January 9 and 10.

About 50 Canadian operational research scientists, the majority from the Defence Research Board, participated.

Embracing combinations of existing scientific fields, operational research is used to apply scientific methods of approach to military activities, management and organizational problems with the aim of providing the most efficient solutions possible.

A relatively new scientific specialty, operational research originated with four scientists carrying out research on behalf of the RAF's Fighter Command. Their efforts proved so useful and successful, the techniques were adopted and expanded by most of the Services of the allied nations. Since then, operational research methods have spread swiftly to business and industry on an ever-increasing basis.

During the open conference at the Chateau Laurier Hotel, Ottawa, both general and technical presentations were made, varying from one on "The Application of Operations Research and Digitalized Computational Methods to Forecasting in Baseball" to "Reliability Concepts in Guided Missiles Performance".

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NICKEL INDUSTRY IN 1955: Free world nickel production in 1955 again set a record with output estimated at about 427,000,000 pounds, Dr. John F. Thompson, Chairman of the Board of Directors of The International Nickel Company of Canada, Limited, stated recently in a review of the nickel industry. This is an increase of approximately 40,000,000 pounds over the previous high of 387,000,000 pounds in 1954, and 87,000,000 pounds over free world production in 1953.

Total output by Canadian producers was expected, Dr. Thompson stated, to reach 347,000,000 pounds in 1955, another new high. This production is some 24,000,000 pounds higher than in 1954, and represents about 81 per cent of the free world production. Of the remaining free world production, Cuba accounted for approximately 7 per cent; New Caledonia, 5 per cent; Japan, 3 per cent; United States, 2 per cent, and various other countries, 2 per cent.

Total free world supply, including commercial production and government subsidized production, was distributed about two-thirds to the United States and one-third to Canada, the United Kingdom and other portions of the free world. A substantial part of the distribution to the United States was used for its heavy defence production and stockpile requirements.



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DEVELOPMENT OF THE CANADIAN ECONOMY IN 1955

FROM STRENGTH TO STRENGTH: In his annual review of the Canadian economy the Minister of Trade and Commerce, the Rt. Honourable C.D. Howe, observed that not only had 1955 been "a period of record activity" but production had "increased more rapidly than in any other post-war year." The gross national product had exceeded that of the preceding year by 10 per cent. Almost as great had been the "physical volume of production", though prices had shown the largest increase in years, this statement continued, and unemployment had "receded sharply."

The body of this review follows in part:

The extent of the pick-up in durable goods industries as a whole is illustrated by the trend of operations in primary iron and steel. A year ago, Canada's steel mills were operating at less than 70 per cent of capacity. Production rose sharply in the early part of 1955 and at the present time full capacity is booked for several months ahead. Production in 1955 was roughly 4.4 million tons of steel ingot, about 42 per cent more than in the previous year and 10 per cent above the previous record in 1953. On the other hand, for the greater part of 1955, imports of steel were substantially below the level of recent years, with the result that the total supply of steel did not keep pace with demand. Operations in a number of industries are presently handicapped for lack of this basic material. Although a tight supply situation in the United States

and Europe limits the extent to which imports can be increased, there has been a noticeable pick-up in import shipments in the last few months.

Unlike steel, the output of most other material processing industries underwent little or no decline during the 1954 adjustment period. Production in these and related industries was running close to capacity even at the beginning of the current upswing. In response to the renewed upsurge in world demand during 1955, new production records have been set in such industries as pulp and paper, lumber, nickel, aluminum, petroleum and chemicals. In spite of the large increases in capacity in many of these industries, pressure for additional output has continued to mount.

Other sectors of Canadian industry have, on the whole, been under less pressure than basic material producers but have nevertheless experienced an unusually active year. With increased crop, dairy and livestock production, food processing industries have had a busy year. More goods are being transported. Retail trade, financial institutions and other forms of servicing benefitted from the rise in production and incomes.

Through the first part of the year total imports rose about in proportion to the overall pick-up in production. Most of the increase in imported merchandise during this

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**DEVELOPMENT OF THE
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period was comprised of motor vehicles and parts, aircraft and parts, textile fabrics, natural rubber, and other such items not directly competitive with domestically produced goods. Consequently, in such lines as textile fabrics, household durables and electrical machinery, Canadian producers in general retained an undiminished share of an expanding market. This situation prevailed until about July. Subsequently, however, the increase in imports has accelerated and in the three-month period, August to October, purchases from abroad were 30 per cent above the level of one year previous. It is significant that in overall terms (the details are not yet available) purchasing from abroad is once again outpacing domestic production.

Export trade has probably played a more important role in the current upturn than in any previous post-war year. In the period 1945 to 1953, Canada's industrial growth was sparked to a very large extent by internal influences such as the huge demand backlogs for consumer and producer goods and, later, the post-Korean defence build-up. Although export markets were generally buoyant during this period, only in the two years following Korea was there any increase in the physical volume of exports. In fact, throughout this whole period, virtually all of the rise in national output was absorbed domestically.

On the basis of 10-month figures, it now appears that merchandise exports will approximate \$4,350 million for the full year, 12 per cent higher than in 1954. In volume terms, the increase amounts to 10 per cent, which raises this year's level to the highest peace-time volume of exports on record.

Nearly all the increase in exports is accounted for by larger shipments of forest, mineral and bulk chemical products, partly the result of the coming into production of extensive new capacity. Canada's exports of iron ore are now approaching the \$100 million mark. Oil and uranium are now moving in quantity to foreign markets. Sales of agricultural products and secondary manufactures have remained about unchanged.

Imports have risen even more rapidly than exports. While the increase in exports has been about equally divided between sterling countries and the United States, more than four-fifths of the increase in imports in 1955 has come from the United States. Purchases from the United Kingdom have held at about the 1954 level, while those from other sterling countries are moderately higher. Strikes in British transport industries and the buoyancy of the United Kingdom home market and of other non-dollar markets are two factors which have had an adverse effect on the flow of British goods to Canada. Recently

there have been indications of a pick-up in the volume of imports from the United Kingdom.

Even at the beginning of the year capital investment plans, covering all types of plant and equipment and housing, called for a sizable increase from the level of outlays in 1954. As markets strengthened and pressure for more output developed, investment programmes were revised upward. A preliminary estimate indicates that total capital outlays for the year have exceeded the \$6 billion mark, compared with \$5.5 billion in 1954 and \$5.8 billion in 1953, the previous peak year.

Much of the increase is attributable to substantially higher outlays for home building, which now comprises almost one-quarter of total capital investment. It is estimated that 126,000 new dwelling units have been completed in 1955, up from 102,000 in 1954, the previous record. In addition, there is a much larger carry-over of unfinished dwellings at the end of the year....

To a large extent, the expansion now under way in Canada stems from the increasing world dependence on Canada as a source of industrial materials. This growing dependence has accounted for the rise in exports, the high level of activity in natural resource industries and for a major portion of the expansion in capital facilities.

DEVELOPMENT TREND

Growth based so largely on expansion of capacity for the production of materials destined mainly for the export market may raise questions about the trend of Canada's industrial development. It is relevant to observe that for the last 15 to 20 years expansion in material exporting industries, particularly mineral and forest products, has, in fact, fallen behind the general rate of industrial expansion in Canada. For example, from pre-war to date, output in these export industries has a little more than doubled. Over the same period, output in all other types of manufacturing has increased by about two and one-half times, while production in durable manufacturing alone has tripled. The fuel and energy group of industries has also achieved a tripling in its output during this period.

Consequently, the current shift toward export industries does not necessarily mean a one-sided development of the Canadian economy. In fact, expansion in export industries is very likely to be associated with continuing growth in secondary manufacturing and tertiary industry. This comes about because any growth in the overall Canadian market, irrespective of the cause of that growth, broadens the range of goods that can be economically produced here in Canada. It would seem, therefore, that rising exports of materials are favourable to the further growth and diversification of the Canadian economy.

Nor should it be overlooked that, within the international community of which Canada is

VOICE OF 2ND BRIGADE: There's a new dominating landmark in the West German province of North Rhine-Westphalia, towering 33 feet over the banks of the picturesque River Ruhr.

It's the steel transmitting tower of the Voice of the Canadian Army in Europe, a 250-watt radio station now nearing completion for troops and families of the 2nd Canadian Infantry Brigade.

It is located at Fort Victoria, the home of the 1st Field Squadron, Royal Canadian Engineers, near the beautiful townsite of Werl.

The staff will comprise German technicians and clerical help, with Canadian volunteer announcer-operators.

Target date for broadcast operations was originally set for Christmas week, but construction delays have postponed the opening until early in the New Year.

The building design incorporates a master control room, recording room, record library, technicians room, transmitter room and three general offices.

Construction of the building has been carried out by German contractors under the direction of the Royal Canadian Engineers. A German electronics firm is also supplying the technical transmitting equipment under the supervision of the Royal Canadian Signals.

The station will also conduct remote broadcasts of major ceremonial, social and sports activities in the Canadian communities in the area.

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HEALTH INSURANCE TALKS: The Honourable Paul Martin, Minister of National Health and Welfare, announced recently that federal-provincial discussions on health insurance would be resumed in Ottawa on Monday, January 23rd. He pointed out that the talks arose out of the October federal-provincial conference at which an Inter-governmental Committee of Health and Finance Ministers had been established to discuss proposals put forward at that time by the Prime Minister and any alternative proposals the provinces might wish to suggest. The Prime Minister had indicated that federal action in the health insurance field depended on majority backing by the provinces.

An agenda for the meeting had received the approval of all provinces, Mr. Martin said, and would provide for the discussion of such matters as the components of a health services programme, projected costs, methods of financing, administrative aspects and priorities in the development of various services.

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CHIEF OF NAVAL STAFF RETIRES: In his last Christmas message to the Royal Canadian Navy, Vice-Admiral E.R. Mainguy, Chief of the Naval Staff, said farewell to the service at whose helm he had been for the past four years. Admiral Mainguy begins his retirement leave on January 16 after more than 40 years in the RCN.

REGIONAL DRAMA ADJUDICATOR CHOSEN: Pamela Stirling, well known British actress and director has been appointed to adjudicate this year's regional drama festivals throughout Canada.

Miss Stirling was trained at the Paris Conservatoire under Louis Jouvet. She acted in his company for 3 years and later in other French companies with such famous French stars as Yvonne Printemps, Pierre Fresnay and Dullin.

During 1946-1947 she acted with the Comédie Française and in 1947 she organized and directed a French company to play in French to schools in England.

Miss Stirling will start her tour of adjudication at Vancouver, B.C. on January 11th. In each of the 13 regions into which Canada is divided for Festival purposes she will decide which group will receive the Calvert Trophy and \$100 cash award. At the conclusion of her three-month tour she will report to the National Executive Committee giving her recommendations for the eight plays to be invited to the Final Festival at Sherbrooke to compete for the major Calvert Trophy and \$1,000 award.

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CANADIAN DIPLOMATIC CHANGES: The Secretary of State for External Affairs announced on December 20 the retirement next spring of Lieutenant-General Maurice Pope, C.B., M.C., Canadian Ambassador to Spain, and of Mr. Frederic Hudd, C.B.E., Official Secretary to the Canadian High Commissioner to the United Kingdom, and the following transfers within the Canadian diplomatic service:

Mr. Sydney Pierce, O.B.E., Canadian Ambassador to Brazil, will become Deputy High Commissioner for Canada to the United Kingdom. He is expected to take up his new duties about June 1. An announcement will be made later regarding Mr. Pierce's successor.

Mr. Leon Mayrand will succeed General Pope as Canadian Ambassador to Spain and is expected to take up his new duties in April 1956.

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RCR ANNIVERSARY: One of the oldest and proudest infantry units of the Canadian Army last week observed the 73rd anniversary of its founding.

The Royal Canadian Regiment was born December 21, 1883, sixteen years after Confederation.

Traditionally, wherever the unit is in service, the occasion is marked with a varied programme of sports, parties, speeches and gatherings of all ranks.

On the Westphalian plains of West Germany, where the 1st Battalion is serving with the 2nd Canadian Infantry Brigade, the normal routine of soldiering was set aside for a day and Fort York, the unit's campsite, enjoyed an atmosphere of jubilant commemoration.

CANAL TRAFFIC INCREASES: Volume of freight cleared through Canadian canals in September totalled 4,318,622 tons, an increase of 375,-514, tons or 9.5 per cent over the September 1954 total of 3,943,108 tons. A decrease in freight tonnage was registered by the Canadian lock at Sault Ste. Marie, but increases were recorded in traffic through the St. Lawrence, Welland Ship and five of the smaller canals.

Increased shipments of iron ore, bituminous coal and other freight through the Welland and St. Lawrence systems were mainly responsible for the advance over the previous September. The number of vessel passages rose to 3,614 from 3,435. The ship channel cutting through the Canso Causeway between Cape Breton and the Nova Scotia mainland is included in these statistics for the first time. During the month 126 vessels carrying 3,976 tons of freight passed through this canal.

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NEW CNR HOTEL: Donald Gordon, chairman and president of the Canadian National Railway, recently announced that the general contract for completion of the new CNR hotel in Montreal, The Queen Elizabeth, had been awarded. The hotel is expected to be completed early in 1958.

One of the largest works of its kind now proceeding on the continent, The Queen Elizabeth Hotel is part of an even larger development that it is anticipated will rise over the CNR's 20-acre terminal site in downtown Montreal as a result of the investment of private capital.

The hotel itself will have approximately 1200 guest rooms and public rooms capable of seating 2500 people at banquets and 400 at meetings. It has been planned from its inception as primarily a convention centre.

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VISIBLE WHEAT SUPPLIES: Visible supplies of Canadian wheat on December 7 amounted to 363,074,000 bushels, almost 7 per cent larger than 1954's corresponding total of 340,-158,000 bushels, according to the latest report by the Dominion Bureau of Statistics. Marketings in the Prairie Provinces during the week dropped to 5,109,000 bushels from 9,556,-000 and overseas export clearances fell to 2,624,000 bushels from 4,789,000.

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CANADIAN EQUIPMENT TO TURKEY: More than 100 artillery tractors will be shipped to Turkey by the Canadian Army in January under Canada's programme of mutual aid to member nations of the North Atlantic Treaty Organization.

The tractors are of the type used to haul field pieces and light anti-aircraft guns.

CANADA IN IGY: A group of Canadian scientists is busily preparing to probe some of the unsolved mysteries relating to the earth, sea and atmosphere of the Canadian portion of North America.

As participants in the International Geophysical Year (IGY), a vast, international scientific investigation of this planet's natural phenomena, they will operate from temporary research stations set up across Canada during 1957-58.

The most ambitious of three such events organized for meteorological, magnetic and auroral observations in North-polar areas and initiated during 1882-83, the IGY began as the First Polar Year. Scientists next carried out their cooperative observations during the Second Polar Year in 1932-33. Because the scope of the 1957-58 activities has been widened to include the whole globe rather than just the north-polar areas, the investigations now being planned have been renamed International Geophysical Year.

During the First Polar Year, British, German and United States expeditions occupied northern Canadian sites. Scientists from this country played a passive role at the time.

Canadian participation became active, however, during the Second Polar Year and the scientists investigated natural phenomena from posts at Baker Lake, Chesterfield Inlet and Eskimo Point on the west coast of Hudson Bay. The programme was enlarged to include ionospheric investigations.

Canada's programme will include detailed studies of the earth's magnetism, the aurora borealis and the ionosphere. Investigations will be carried out from a series of main research stations at Resolute, Churchill, Ottawa, Meanook and Saskatoon. Supporting projects will be conducted at other points ranging from Agincourt, near Toronto, to Alert, the continent's most northerly community on the tip of Ellesmere Island.

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NEW APPOINTMENTS FOR FEAVER, NORMAN: The Secretary of State for External Affairs recently announced that the Government of Denmark and the Government of Canada, considering the close relations existing between the two countries as members of the North Atlantic Treaty Organization, had decided to raise to the status of Embassies their Legations in Copenhagen and Ottawa. Mr. H.F. Feaver, who became Canadian Minister to Denmark in November 1954, has been appointed Canadian Ambassador.

It was also announced that Mr. Richard Plant Bower would succeed Mr. H.G. Norman as Ambassador to Venezuela. He is expected to take up his new duties in March 1956. Mr. Norman's appointment as Canadian Consul General in New York was announced on September 8, 1955.

RCAF YEAR-END ROUNDUP - 1955

PROGRESS AND COMPLETIONS: For the Royal Canadian Air Force, 1955 was a year of progress and activity marked by the completion of many projects.

Included among these was the increase of home-based CF-100 Canuck squadrons to the previously announced strength of nine, bringing to 41 the planned establishment of RCAF squadron strength. The year also saw the consolidation in Europe of Canada's 12-squadron Air Division, with the movement of No. 1 Fighter Wing from the United Kingdom to its new base at Marville, France. Thus, according to plan, all operational elements of the RCAF's four Sabre wings overseas now are concentrated in one area.

Regular personnel strength reached a figure of more than 50,000, making the RCAF the largest member of Canada's armed services. Maximum personnel strength for the Air Force has been set at 51,000.

INTERCEPTOR PRACTICE

The all-weather jet-interceptor force, operating from bases ranging from Comox on Vancouver Island to Bagotville in Quebec and flying the latest CF-100 Mark 4 Canucks, continued to exercise throughout the year with units in the Pine Tree early-warning chain. The chain, operating on a round-the-clock basis, forms the front warning-line of North American defence, pending completion of the Mid-Canada and DEW lines farther to the north.

To maintain top operational efficiency, RCAF squadrons participated in large and small training exercises both at home and abroad. Largest of these in 1955 was Exercise "Carte Blanche", a mock atomic air war held in Europe last summer, in which RCAF fighter squadrons, based at Marville and Grostenguin in France and Baden Soellingen and Zweibrucken in Germany, operated with other NATO air forces in the biggest test to date of Western Europe's air defences. The RCAF's 12 jet squadrons, in their Mark 5 Sabres and newly acquired Sabre 6's, flew approximately 2,500 sorties during the nine-day exercise....

The CF-100 squadrons, with other elements of Air Defence Command, took part in Exercise "Cracker Jack" in early December. Simulated enemy bomber attacks were made by United States Air Force aircraft upon various North American targets and Canadian and U.S. forces joined in detecting, tracking and intercepting the raiders.

Squadrons of the RCAF's Maritime Air Command, with headquarters at Halifax, Nova Scotia, continued to participate in exercises with other NATO maritime forces under the Supreme Allied Commander Atlantic (SACLANT)....

The RCAF's Air Transport Command continued its many and heavy airlifting commitments during 1955. By the end of the year, transport aircraft of the RCAF had carried a payload of more than 44,000,000 pounds in 12 months of

operations. Flying their four-engine North Stars, No. 425 "Thunderbird" Squadron based at Dorval, Quebec, a unit that set an enviable record on airlift operations during the Korean conflict, continued to carry out a tri-weekly trans-Atlantic airlift of men and equipment to Canadian bases in the United Kingdom and Europe. In addition "Thunderbird" North Stars and crews completed exchange of the Canadian truce team in Indochina. C-119 "Packets" of 435 and 436 Transport Squadrons, based at Edmonton and Dorval respectively, were responsible for the spring resupply by air of weather bases jointly operated by the Canadian and U.S. Meteorological Services in the Arctic Islands. About 750,000 pounds of equipment, food supplies and fuels were airlifted into the Arctic stations.

Noteworthy among the year's accomplishments by another unit of Air Transport Command was aerial photographic coverage by 408 Photo Squadron, based at the RCAF Station Rockcliffe near Ottawa, of 352 linear miles on Ellesmere Island, well within the Arctic Circle. The Squadron also covered approximately 26,900 linear miles on vertical photography operations, as well as 7,841 linear miles on Shoran recorded photo work, all carried out in the Arctic regions and the Yukon.

TRANSPORT OPERATIONS

Late in the year, No. 412 Transport Squadron, flying the RCAF's C-5 aircraft, carried External Affairs Minister Lester B. Pearson and party on his visit to Russia and the Far East.

During the year RCAF helicopters, hitherto employed chiefly on search and rescue missions, came to the fore in the air transport field. A comparatively new RCAF unit, 108 Communications Flight recently transferred to RCAF Station Rockcliffe from Bagotville, Quebec, received new helicopters and became actively engaged in airlift tasks in connection with the construction of the Mid-Canada line. Originally equipped with Sikorsky S-55 and Piasecki H-21A helicopters, the unit began receiving new Sikorsky H-34 and Piasecki H-21B helicopters late in the year. The large fleet of helicopters is necessary to handle heavy airlift requirements related to the construction of the Mid-Canada Line. The helicopters flew steadily throughout the summer along the line, carrying survey parties, test engineers, and providing a flying link between nearby lakes, which provided landing spots for fixed-wing aircraft carrying in supplies, and the actual Mid-Canada line sites.

Greece became the tenth NATO nation to send trainees to Canada in 1955 for training under the NATO Aircrew Training Programme.

To fill RCAF aircrew requirements in pilot, navigator, and radio officer's trades, training continued at a brisk pace throughout the RCAF's Training Command.

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a part, the mineral and forest resources which we possess in abundance are becoming increasingly scarce in the highly populated industrialized nations. In this situation, products based on these resources cannot help but continue to bulk large in Canada's export trade...

Considering the recent tempo of activity, the surprising thing is the degree to which the economy has thus far been free of those strains and excesses which eventually lead to deterioration. Some materials are in short supply, credit is tightening and interest rates have risen. These factors, however, are simply a reflection of current market strength. In present circumstances they are not likely to dampen expansion but they may, on the other hand provide a necessary means of regulating its pace. Except in the case of some materials, prices have remained fairly stable. Accordingly, buying habits have not been subject to the disruptions which stem from rising prices. Stable living costs have had a tempering effect on the upward trend of wage rates. At least to the end of the third quarter there has been no overall build-up of business inventories. In other words there is little to suggest that the present high rate of production is borrowing on future markets.

DEFENCE BUYING

...Defence procurement continued at a high level in 1955, expenditures being approximately equal to those of the previous year. This stability in the general level of activity may be attributed largely to programmes launched in earlier years, which offset a drop in the value of new orders placed in 1955. At the same time, the striking increase in the Canadian gross national product during the year has meant that the overall impact of the defence procurement programme on the economy has been slightly reduced.

Defence construction activity was up in 1955 over the previous year. The highlights of this programme were the substantial amount of the construction work at Camp Gagetown and the construction requirements of the Mid-Canada line. For the latter a successful summer airlift was completed and arrangements were made for a winter airlift.

The growing ability of Canadian industry to meet the needs of the current defence programme has resulted in a substantial reduction in new orders being placed abroad. However, during the year defence expenditures in the United States and the United Kingdom, on orders placed in earlier years, have continued at about the 1954 level. The United States' defence orders in Canada increased in 1955, with purchases of aircraft and parts, picrite, light machine guns, spare parts for radars, and contracts for the overhaul and maintenance of

electronic, communications and power generating equipment.

A further decline in expenditures for capital assistance during the year reflects the improved ability of Canadian industry to meet defence production requirements with existing or privately financed facilities.

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ELECTRICAL OUTPUT RISES: Output of Canada's central electric stations was up 4.9 per cent in October to 6,430,524,000 kilowatt hours from 6,131,271,000 a year earlier, continuing a series of monthly gains over the previous year that has been uninterrupted since April 1954. In the ten months ending October, production aggregated 62,636,627,000 kilowatt hours, slightly more than 11 per cent above the output of 56,374,246,000 for the corresponding 1954 period.

Production was higher in October last year than 1954 in all provinces except New Brunswick, Quebec and Manitoba, and was higher in the ten months in all except new Brunswick. Ten-month totals by provinces in thousand kilowatt hours, with comparative 1954 figures in brackets, were: Newfoundland, 493,164 (193,-551); Prince Edward Island, 37,132 (26,993); Nova Scotia, 975,850 (913,843); New Brunswick, 721,728 (724,790); Quebec, 29,830,547 (28,594,586); Ontario, 20,548,787 (16,857,303); Manitoba, 2,506,621 (2,458,332); Saskatchewan, 1,161,734 (1,048,134); Alberta, 1,355,773 (1,-202,760); British Columbia, 4,930,904 (4,353,-954); Yukon and Northwest Territories, 74,387 (not available).

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MAKING LUBRICATING OILS LAST LONGER: The National Research Council of Canada has developed a process for extending the life of lubricating oils by putting a sodium alloy "slug" in the oil line. Research by Dr. I.E. Puddington and Dr. A.F. Sirianni, of NRC's Division of Applied Chemistry, led to this new development. A number of other scientists have since been associated with the project.

Two test cars were fitted with these sodium solder slugs in September of 1953. The oil has never been changed since, though it is checked periodically to see that it is still useable.

One car has completed over 17,000 miles and the other over 20,000 miles in the 27 months that the trial has been running, and the oil still tests as being useable. These cars were not new at the start of the trial and oil consumption was 30 quarts for one car and 31 quarts for the other.

The scientists themselves think this new development is interesting but may not be too important from an economic point of view. The cost of new oil periodically is a very small part of the over-all cost of operating a car, including depreciation. Other possible applications may be more important; for instance, the delay in changing the oil in transformers situated in out-of-the-way places.



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DEFENCE RESEARCH BOARD YEAR-END ROUNDUP 1955

H.Q. REORGANIZED: The year 1955 proved to be an eventful one for the Defence Research Board. Highlighting events most likely to affect future Board operations were the appointment of a new Chairman and completion of a Headquarters reorganization initiated the previous year.

Guidance of the Board's activities will pass early next year from founder and architect Dr. Omond M. Solandt to A.H. Zimmerman, Vice Chairman since January and a Board member for the past four years. Dr. Solandt will become Assistant Vice President, Research and Development, of the Canadian National Railways after almost a decade with the scientific organization he has moulded into Canada's largest chain of research establishments.

Completion of Heller, a new, anti-tank weapon with superior qualities of accuracy and penetration, was marked with a press demonstration by a Canadian Army team. The first complete weapon, ammunition and fire control system to be designed, developed and manufactured in Canada, Heller has been adopted for use by the Army.

The Directorate of Armament Development, Canadian Army, was the design authority which monitored the work at the Canadian Armament Research and Development Establishment and provided detailed collaboration at all stages of development. Army technical officers employed at CARDE contributed jointly with the scientists to the project's success.

Project "Wood Duck", an interesting fundamental research study concerned with the effects of birds on radar screens, was carried out in March on the famed Jack Miner bird sanctuary near Kingsville, Ontario.

Some aspects of the Board's rocket and missile programmes were released with a description of the CARDE aeroballistics range. One of three of its kind in the world and considered the best for many types of projects, it has been employed for testing the aerodynamics characteristics of Heller models and various guided missile models. The range is proving increasingly valuable with the continuing development of useful techniques both for missile and rocket research.

DRCL scientists continued to collect precipitation periodically to determine radioactive content. While all precipitation includes some radioactive material, the count increases slightly; however, when winds carry radioactive particles from nuclear explosions. At no time has the count reflected a yield sufficient to prove harmful to humans, animals or vegetable life. In all cases, when an increase was noted, it proved to be insignificant.

Another useful research tool installed by the Board for investigations under severe conditions is a cold chamber at DRCL. It can be cooled down to 60 degrees below zero and a large fan provides winds that can simulate velocities up to 40 miles per hour.

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DEFENCE RESEARCH BOARD

YEAR-END ROUNDUP 1955

(Continued from p. 1)

From an Army searchlight, scientists from the same establishment have developed a "solar furnace", a useful research tool which employs the rays of the sun to provide intense heat. The mirror of the searchlight is used in reverse to generate temperatures that can equal those present in an atomic explosion. The furnace is used on behalf of the Armed Forces and Civil Defence to test the resistance of various materials to intense heat.

Two radiation units with Cobalt-60 sources were installed at DRCL for use in calibrating radiac instruments for the Services and for Civil Defence. Experiments planned for the future will measure the radiation recorded in human-like dummies exposed to the units' gamma rays.

The Board is playing an increasingly active role in advising and assisting the Canadian Civil Defence authorities. A Department of Transport meteorologist, on loan to the Board, has prepared a master radiation fallout pattern for southern Canada. From weather data compiled down the years he has been able to estimate wind patterns for the various areas at all seasons. His work provides civil defence planners in major Canadian cities with information which enables them to draw up evacuation plans.

Arctic activities continue to play important roles in the Board's activities. Miss Moira Dunbar, a geologist from the Geophysics Section, completed during the summer a detailed ice study in Arctic Ocean waters. Her work was carried out on Department of Transport ice-breakers engaged in supply operations and the data will be used to help in creating a new system of ice forecasting in Canada.

Board scientists participated actively with associates from 15 western nations during the fifth general assembly of the Advisory Group for Aeronautical Research and Development to NATO. A NATO sub-committee created to bring together member nations' leading aeronautical personalities and to promote cooperative use of research and development facilities, the Ottawa meeting was the Group's first North American assembly.

With the official opening of a central laboratory building at Suffield Experimental Station (SES) near Medicine Hat, Alberta, the Board's largest establishment, DRB has now completed its major construction programme. Opened by Major-General William M. Creasy, Commanding Officer of the U.S. Chemical Corps and Chief Chemist of the U.S. Army, the new, T-shaped permanent structure is used for activities related to the defensive aspects of biological, chemical and radiological warfare. SES staff members work closely with the Canadian Armed Forces and with scientific and Service colleagues in the U.K. and U.S.A.

CANADA UPS COLOMBO AID: It was announced recently that the Canadian Government planned to ask Parliament to approve a contribution for the Colombo Plan in 1956-57 of \$34.4 million. This will represent an increase of \$8 million over Canada's contribution in 1955-56.

At the recent meeting of the Colombo Plan Consultative Committee in Singapore, Canada joined other member countries in unanimously approving an extension of the Plan until mid-1961, on the understanding that the future of the Plan would be re-examined again in 1959.

Part of the increased funds which Parliament will be asked to approve for 1956-57 will cover the external costs that will fall due next year for the NRX atomic research reactor. Canada has agreed to provide to India under the Colombo Plan. Some of the increase will also be used to meet part of the additional dollar costs arising in connection with the Warsak multi-purpose project in Pakistan. The remainder of the increase will be used, together with certain funds now available, to provide more assistance to countries in South and Southeast Asia that have so far received only limited technical assistance from Canada.

The amount Parliament will be asked to approve will also cover the regular allocations to India, Pakistan and Ceylon and a continuation of the technical assistance programme to the member countries of the area.

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U.S.-CANADA THEATRE EXCHANGE: Robert Whitehead, Canadian partner in Producers' Theatre Inc., one of Broadway's largest theatre operations, arrived in Canada last week as liaison man between Canada and the United States on a new theatrical exchange venture between two countries. The movement, sponsored by the American National Theatre and Academy, is based on an international theatre-exchange scheme, which has already been successfully put into effect by Mr. Whitehead between the United States and Europe.

Mr. Whitehead visited Montreal and Toronto to further arrangements for the exchange plan. He talked to Tyrone Guthrie, British director of the forthcoming Canadian production of "Tamburlaine the Great", which Producers' Theatre is taking to Broadway this winter. Presented by the Canadian Stratford Festival Foundation in association with Producers' Theatre Inc., "Tamburlaine the Great" will feature the Festival company with British artists Anthony Quayle and Coral Browne. Mr. Whitehead has been instrumental in arranging the appearance of the company in New York and Toronto, the first time the Festival group has played away from its home theatre in Ontario and the first time that a Canadian production on this scale has been exported outside Canada.

PRAIRIE MANUFACTURING: Gross factory value of products shipped by the manufacturing industries of the Prairie Provinces in 1953 climbed to \$1,407,300,000 from \$1,351,000,000 the preceding year, the Dominion Bureau of Statistics reports. The number of establishments was reduced to 4,674, from 4,703, but the number of employees rose to 88,426 from 86,437 and earnings rose to \$246,126,000 from \$224,165,000.

Manitoba continues to be the largest manufacturing province of the three but Alberta showed the largest proportionate rise in shipments during the year. Shipments from Manitoba plants were valued at \$584,872,000 (\$574,037,000 in 1952); Saskatchewan, \$266,613,000 (\$258,932,000); and Alberta, \$555,815,000 (\$518,411,000).

Considering the Prairie Provinces as an economic unit, slaughtering and meat packing had the largest value of factory shipments in 1953, amounting to \$254,281,000 (\$258,537,000 in 1952), followed by petroleum products at \$177,756,000 (\$156,596,000), flour mills, \$109,280,000 (\$112,509,000), butter and cheese, \$91,021,000 (\$87,137,000); and railway rolling-stock, \$58,273,000 (\$53,316,000). These five industries accounted for about 49 per cent of the total production of the Prairie Provinces in 1953 versus 50 per cent in 1952.

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HISTORY IN ONTARIO PLACE-NAMES: Grenadier Pond in Toronto got its name from the tragedy that occurred when a company of soldiers, marching in step over its wintry surface, broke the ice and drowned.

That's just one of the highlights of the historical research into place-names conducted by the Ontario Department of Lands and Forests. There are many other examples. Erie, an Indian name for panther or puma, identifies the lake where once lived the Cat nation of Indians. Three townships in Simcoe Country are named Tiny, Tay and Flos, after the pet dogs of a one-time lieutenant-governor's wife.

There are plenty of confusing situations arising from Ontario place-names. The province has 25 bodies of water named Trout Lake, and at one time there were 75 others that now have more distinctive names.

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NATIONAL HIGHWAYS LINK: A granite cairn officially linking the Trans-Canada Highway to the future United States Great River Road has been unveiled near Kenora, Ontario. The Great River Road, named after the Mississippi River, which it will follow from the Gulf of Mexico to join the Trans-Canada Highway, will be a 3,500-mile four-lane highway. When they are completed, the two national highways will give Canada and the United States an 8,500-mile north-south and east-west route for motor traffic.

CANADA AT DOMINICAN FAIR: Canada will take part in the International Peace and Progress Fair, to be held in Ciudad Trujillo, Dominican Republic, from December 20, 1955, to February 27, 1956. Some twenty-five countries will take part in this exposition commemorating the 25th anniversary of the Government of General R.L. Trujillo.

The Canadian Government exhibit, which will occupy 1,000 square feet of space, will be of a commercial and cultural nature. Canada's two most important exports to the Dominican Republic, fish and flour, are featured in the commercial section. The displays are animated by working models of a fishing trawler and part of a combine harvester, discharging grain.

Photo murals and colour transparencies show Canada's cities and countryside. Visitors to the exhibit will learn something of Canadian people and life through a pictorial presentation of Canadians at school, at play in winter and summer, and enjoying cultural pursuits such as theatre, ballet, painting and music. They will also see how Canadians earn their living in every major industry, from mining to manufacturing.

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CANADA BOND SALES: Sales of Tenth Series Canada Savings Bonds, according to reports received up to November 30, total \$654 million from 1,114,000 applications.

Included in this total were 684,000 applications for \$195 million on the Payroll Savings Plan - an increase of more than 7 per cent over figures reported in this category last year at the same time. Every region of Canada shared in this increase, as did the special groups comprised of railways, civil service, armed forces and chartered banks.

The total was down 18 per cent compared to total sales reached in the comparable period in Series Nine. A major difference this year has been the absence of sales arising from switching out of other securities, estimated to have accounted for approximately \$150 million in Series Nine.

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NEW NORTHERN ROUTE: A 106-mile all-weather highway was completed through an unsurveyed wilderness in Alberta, with the recent official opening of the Whitecourt-Valleyview cut-off. The road cuts 72 miles off travel distance in the north, and becomes an important link with Alberta's rich Peace River area. The only previous access route was via Athabasca or Westlock and past Lesser Slave Lake. The new road will be shown on maps as a continuation of Alberta Highway No. 43.

The average yield per seeded acre of soybeans in Canada jumped to a record 26.4 bushels this fall from 19.5 last year. The previous peak was 25.1 bushels in 1949.

GROSS NATIONAL PRODUCT: Gross national product, seasonally adjusted, rose to \$26.9 billion in the third quarter of 1955, marking the fourth successive advance in output since the mild contraction from mid-1953 to mid-1954, the Dominion Bureau of Statistics reports in an advance statement. The gain in output in the first and second quarters of this year, amounting to about 2 per cent compared with an increase of more than 4 per cent in the preceding quarter. The successive advances in output since a year ago have amounted to \$2.9 billion at annual rates, and have brought the general level of economic activity to a point about 12 per cent above the 1954 third quarter rate of \$23.9 billion.

A number of expansionary factors have contributed to this \$2.9 billion growth in output over the course of the year. The larger grain crop in 1955 is reflected in the increase, accounting for about \$300 million of the gain in total gross national product. Personal expenditure on consumer goods and services has led the advance in final purchases, with a gain of \$1.2 billion, while exports, gross domestic investment in durable assets, and government expenditures have together absorbed an additional \$1.7 billion of output. Finally, the swing in business inventories from liquidation a year ago to net accumulation in the third quarter of 1954 has amounted to \$0.5 billion. Under these stimuli, Canadian production has pushed rapidly forward, although a considerable part of both final and inventory demand has been channelled into imports, which have risen by more than \$0.9 billion (at seasonally adjusted annual rates) over the past year.

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REVENUES OF AIR CARRIERS: Increased volume of traffic, along with peak revenues for the month, were reported by Canadian air carriers in June, according to the Dominion Bureau of Statistics. Operating revenues amounted to \$16,282,845, an advance of 63.8 per cent over the \$9,940,777 earned in June, 1954. At the same time operating expenses advanced 61.7 to \$13,819,919 from \$8,547,117. Consequently the operating income improved to \$2,462,926 from \$1,393,660, bringing the total for the first six months of the year to \$1,825,782 compared with a deficit of \$1,324,500 a year earlier.

All revenue accounts showed gains in June over the preceding year with passenger fares increasing to \$7,400,995 from \$6,392,083, mail earnings to \$875,941 from \$874,202, goods carried to \$662,034 from \$477,668, and excess baggage to \$78,597 from \$68,089. Bulk transportation revenue totalled \$6,465,351, well above the \$1,513,521 earned a year ago.

Canadian refineries shipped 131,737,594 pounds of yellow or brown sugar last year versus 123,609,259 pounds in 1953.

THE NAVAL YEAR: The addition of the ultra-modern anti-submarine escort vessel St. Laurent and the Arctic operations of HMCS Labrador, the adoption of jet-powered naval aircraft and the organization of the fleet into training and operational squadrons combined with significant advances in numerous other fields to mark 1955 as a year in which the Royal Canadian Navy made important gains in strength and stature.

The size of the fleet increased to 61 active units, while the number of personnel in the regular force rose to more than 19,000. Both of these are record peacetime figures. The ships include one aircraft carrier, two cruisers, 12 destroyer escorts, one Arctic patrol vessel, ten frigates, seven coastal escorts, eight coastal minesweepers, one repair ship and 19 smaller craft.

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REGIONAL PRICE INDEXES: Consumer price indexes for ten regional cities registered only slight changes between October and November, 1955, as four moved lower, four were higher, and two remained unchanged. The maximum change recorded in any city was 0.3 per cent, the Toronto index recording a decrease of that amount and the Winnipeg index a corresponding increase.

Changes at group index levels were mixed, foods being the only group to show a relatively consistent movement from city to city. Food indexes decreased in eight of the ten cities, declines ranging from 0.1 per cent in Vancouver to 1.5 per cent in Toronto. Beef prices were fractionally lower in all cities except Edmonton and lower prices for pork were reported from all centres. Coffee prices were up in all ten cities.

Shelter indexes advanced slightly in five cities and were unchanged in the other five. Clothing indexes were practically unchanged, moving no more than 0.1 per cent in any city, with four indexes up, two down, and four remaining the same. Household operation increased in Montreal and Toronto, largely as a result of higher coal prices, and in Vancouver following increases in home-furnishings.

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MILITARY INTERNATIONAL AFFAIRS CONFERENCE: Fifth annual conference on international affairs for senior officers of the three branches of the armed forces was held at the University of Toronto, December 5-8 inclusive. It was sponsored jointly by the Department of National Defence's Bureau of Current Affairs and the Canadian Institute of International Affairs.

All meetings of the conference, which was also attended by one superintendent of the RCMP, were closed. Lectures were on topics of national and international interest, followed by syndicate round-table discussions.



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FRESH IMPRESSIONS OF THE RUSSIANS AND THEIR LEADERS

PROBLEM OF "GETTING THROUGH": "Of course the official 'red carpet' was out, and of course the people who looked after us officially had been told...to make us welcome and to be kind to us and to give us everything possible to eat and drink," said Mr. Pearson, Secretary of State for External Affairs, in an address on December 8 to the Women's Canadian Club of Ottawa concerning his recent visit to the Soviet Union. "But...I got the impression that those who were told to look after us in this way got a great deal of genuine pleasure out of carrying out that kind of instruction." He had experienced the feeling, Mr. Pearson went on, that "if we could only somehow get through to the people of a country like this, so many of our problems could be solved." That, however, he added, was "a very big 'if' indeed." The affability of people under a totalitarian government of the Soviet type "has only a qualified political significance," he said.

Mr. Pearson described his "abiding impression" as "one of great power on the part of the state, of massive power, massive strength indeed, of great collective wealth and of inflexible purpose." After a brief salute to the restorers of Stalingrad, one of the cities that suffered most from the Nazi invasion during the Second World War, he continued as follows:

"...One certainly does not get the impression after visiting Russia that they are a beaten, servile, lifeless people. One does not

even get the impression that they miss their freedom as we would miss it. Indeed they have a kind of freedom; if you obey the dictates of the state you are free to do everything you wish to do within those limits. It is not our freedom but it is a kind of freedom. As somebody has put it - I think it was Mr. Attlee - we have the freedom to make decisions which govern our lives, they have freedom from the necessity of making decisions. There are people, I fear, who get as much comfort out of that kind of freedom as the other. It is one of the tasks of free democracies to keep to a minimum that kind of person in the state.

"Another impression I got was that, because of state control of the mass media of propaganda and communication (and this is not so difficult to understand in a totalitarian despotic government) they have built up in many of their people great pride in their state accomplishments.

"...When you listen to people in the cities of Stalingrad and Leningrad which suffered so much from war, listen to them talk about their passion for peace, it is very difficult not to believe in their sincerity. I am sure they are genuine in that belief.

"But I do not get very much comfort out of that because a passion for peace among the people (and the people in all countries want peace) is not very important unless it can express itself in political action, in policies

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ENLARGING WELLAND CANAL: The Honourable Lionel Chevrier, President of the St. Lawrence Seaway Authority, announced recently that the Authority had awarded contracts for enlarging the Welland Ship Canal.

The contract for Locks 1 and 2 entails the excavation of 126,000 cubic yards of material, the removal of 50 cubic yards of concrete slabs and the placing of 100 cubic yards of stone protection along the channel. Under the second contract, for Locks 2 and 3, 482,000 cubic yards of common excavation must be done, 600 cubic yards of concrete slabs must be removed and 200 cubic yards of stone protection placed. The third contract calls for 41,000 cubic yards of common excavation, the removal of 100 cubic yards of concrete slabs, and the placing of 100 cubic yards of stone protection between Locks 3 and 4.

The work under these three contracts is to be carried out during the non-navigation seasons of 1955-56, 1956-57 and 1957-58, the whole to be completed by June 30, 1958.

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DRB SYMPOSIUM: The activities of Defence Research Board scientists relative to Canada's air defence programme were emphasized during the Board's seventh annual symposium at the Chateau Laurier Hotel in Ottawa, December 7-9.

Attending the series of closed sessions were an estimated 750 Canadian scientists and Service officers. These were augmented by about 50 interested visitors in similar fields from the United Kingdom and the United States.

Of the 33 scientific papers to be presented, the majority dealt with Canadian air defence and naval research in addition to other activities of the Board's 10 establishments. Various phases of the DRB programme were reviewed by means of oral presentations, films and slides.

The annual symposia provide staff members and Canadian service officers with detailed overall information on the Board's activities. In addition, they have proved especially useful in promoting the exchange of scientific information between the countries concerned.

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NEW CARS FOR CNR: Orders have been placed by the Canadian National Railways for 2,625 freight cars, it was announced recently. The units, costing approximately \$24,000,000, are scheduled for delivery in 1956.

The CNR already has 2,375 units of freight equipment on order and due to be completed early in 1956. They include 25 automobile transporters, the first railway cars of their type to be built. They are 34 feet longer than conventional types and will carry eight vehicles instead of only four.

Another 1,750 units are box cars with aluminum roofs, first of the kind to be constructed in Canada. The others include 200 gondola cars. The estimated value of this latter equipment is approximately \$18,000,000.

NEW HOSPITAL SHIP SERVES BANKS: For nearly five centuries, Portuguese fishermen have been reaping rich rewards from the prolific cod banks off Canada's east coast, receiving a warm welcome and using facilities available at Canadian ports. Reciprocating this favourable treatment, the Portuguese are sharing with Canadian deep-sea fishermen the medical and other assistance provided by a de-luxe hospital ship that each year spends five months in Newfoundland and Greenland waters with Portugal's cod-fishing fleet.

This assistance will be given by the "Gil Eannes", mother ship of the Portuguese cod-fishing fleet, which was launched this year and made her maiden voyage to the Northwest Atlantic in May. Advice that such aid would be provided free of charge to Canadian nationals was recently tendered the Department of External Affairs by the Portuguese Embassy in Ottawa. It will be of particular importance to fishermen operating on the Grand Banks where the Portuguese fleet obtains a large share of its catch.

The Portuguese cod-fishing campaigns are conducted by "draggers", using otter trawls, and the picturesque, white-hulled "bankers", which employ the traditional hand-line gear in trawling from dories. The "draggers", numbering about 25, leave for the western waters in February and the "bankers", totalling some 45, in April. All told, they carry a complement of approximately 5,000 men.

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UK-CANADA TRADE COMMITTEE MEETS: A meeting of the United Kingdom-Canada Continuing Committee on Trade and Economic Affairs was held in Ottawa on December 8 and 9.

This Committee, which was established in 1948, meets from time to time to review the general economic situation and consider matters of common concern to the United Kingdom and Canada in trade and other economic affairs. The Committee meets alternately in London and Ottawa; the last meeting took place in London on June 21 and 22, 1954.

The recent meeting took place under the chairmanship of the United Kingdom High Commissioner, Sir Archibald Nye. The other members were: Sir Gilbert Laithwaite, Permanent Under-Secretary of State, Commonwealth Relations Office; Sir Frank Lee, Permanent Secretary, Board of Trade; Sir Leslie Rowan, H.M. Treasury; Sir Alan Hitchman, Permanent Secretary, Ministry of Food, Agriculture and Fisheries. The Canadian members of the Committee were: Mr. W.F. Bull, Deputy Minister of Trade and Commerce; Mr. J.G. Taggart, Deputy Minister of Agriculture; Mr. A.F.W. Plumptre, Assistant Deputy Minister, Department of Finance; Mr. A.E. Ritchie, Economic Adviser, Department of External Affairs.

Other senior Government officials from both countries were present.

CANADIAN WAR HISTORY: The official history of the Canadian Army in the Second World War, Volume I, will be published later this month, it was announced by Army Headquarters on December 5.

The volume, which reports in detail the Army's part in events between 1939 and 1945, is called "Six Years of War".

Colonel C.P. Stacey, author of the history and director of the historical section of the General Staff, has written the book for the general reader rather than the soldier or military student. Its 629 pages deal in detail with military events in Canada, the army in the United Kingdom, and the army's part in the war against Japan.

Speaking of the official history and the forthcoming volume, Colonel Stacey stated that the aim of the book is "to tell the Canadian citizen what his army accomplished in the Second World War and to provide him with means of forming an intelligent judgment on military issues that may confront him in the future".

This publication is the first of three volumes. Volume II, which will be published early in 1956, will follow the course of the Canadian Army campaign in Italy and the Mediterranean area. Volume III, now being prepared, will deal with battles and events in Northwest Europe.

This first illustrated volume is divided into three parts under the headings: Organization, Training and Home Defence in Canada; The Army in Britain 1939-1945; and The War Against Japan 1941-1945. Active operations - particularly those at Hong Kong and Dieppe, which were important and controversial - are dealt with in much greater detail than in any previous account. After telling the story of the raid on Dieppe, Colonel Stacey devotes a chapter to details of losses, comments, and the aftermath of the raid.

Publication of the official history will reveal more details of Canadian actions than were published in the 1948 historical summary, "The Canadian Army 1939-1945", for which Colonel Stacey received the Governor-General's award for academic non-fiction.

Volume I is a cloth-bound book containing 38 black and white photographs and 14 maps, seven of them in colour. It will be obtainable from the Queen's Printer, Ottawa, at the postage free price of \$3.50.

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NEW SPANISH ENVOY: On December 5, His Excellency Eduardo Propper de Callejon presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Spain to Canada. Mr. Propper de Callejon has served in various capacities at Brussels, Lisbon, Vienna, Cairo, Paris, Larache, Rabat, Zurich and Washington. He has also held a number of positions in the Spanish Foreign Ministry. Before his appointment to Canada he was Minister-Counsellor at the Spanish Embassy in Washington.

HOSPITALS STUDY DISASTER PREPARATIONS: The sixth federally sponsored Hospital Disaster Institute was held at the Toronto Western Hospital on December 8 and 9. Organized by the Federal Civil Defence Health Services, the prime objective of the Institute was to help hospitals prepare workable plans which would enable them to cope with a major disaster and to treat mass casualties effectively.

Dr. K.C. Charron, Principal Medical Officer of the Department of National Health and Welfare and Director of Federal Civil Defence Health Services, was chairman of the Institute and the participating hospitals were the Toronto Western and the Humber Memorial Hospitals. Previous Institutes have been held at Victoria, British Columbia, in the spring of 1954, at Halifax, Nova Scotia, later in the same year, an English speaking and a French speaking Institute in Montreal in the spring of 1955 and a fifth in Hamilton for the west-central section of Ontario.

Some 30 hospitals in the large central section of the province, as well as in the Toronto area, were represented at the Institute by their administrators, chiefs of medical services and directors of nursing services. The hospitals represented service numerous towns and cities as far north as Timmins and Kirkland Lake and easterly to Ottawa. About 125 persons attended.

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REGULATE SEAWAY LEVELS: An exchange of correspondence took place recently between the Secretary of State for External Affairs, Mr. L.B. Pearson, and the chairman of the Canadian Section of the International Joint Commission, General A.G.L. McNaughton, in relation to the control of the levels of Lake Ontario and the St. Lawrence power and seaway projects. In his letters General McNaughton has recommended, on behalf of the Commission, that the Government of Canada approve a specific range of elevations for the lake, certain criteria according to which the outflows from the lake should be regulated, and a specific plan of regulation in accordance with the range of elevations and criteria recommended.

The Government of Canada has accepted the Commission's recommendations with respect to the range of elevations and the criteria. It also has approved the plan of regulation as a basis for channel excavations required for seaway and power purposes in the St. Lawrence River.

In his second letter to General McNaughton, Mr. Pearson informed the Commission of an arrangement to permit the use of a portion of the seaway canal to by-pass as much as 40,000 cubic feet of water per second between Lake St. Louis and Laprairie Basin near Montreal, during the non-navigation season.

Highest peak in Canada is Mount Logan, towering 19,850 feet above sea-level.

CANADA'S UNICEF CONTRIBUTION: The Canadian Government's contribution of \$650,000 to the United Nations Children's Fund for the year 1956, subject to parliamentary approval, was announced on December 5 in New York by the Canadian Delegation to the 10th Session of the General Assembly. The announcement was made in the Third (Social) Committee of the Assembly, which was considering the Annual Report of the Economic and Social Council to which the Fund reports each year.

The Canadian Government has already contributed \$9,375,000 to the Fund since its establishment. In addition, voluntary contributions from individuals in Canada of approximately \$1,500,000 have been sent to the Fund.

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ONTARIO'S URANIUM CITY: A townsite designed to accommodate a population of 12,000 to 15,000 will be set up about 20 miles northwest of Blind River in Ontario's uranium country, Municipal Affairs Minister William A. Goodfellow announced recently.

The townsite will be located within the Improvement District of Elliott Lake which was established by the Provincial Government when it became apparent that uranium mining would bring large numbers of permanent residents to the area. The Improvement District covers an area of 396 square miles.

Temporary sites are to be provided for industrial, commercial and other business uses. They should be available within the next few weeks and will not be moved until permanent business sites have been laid out and serviced with waterworks, sewers and roads. These sites will be advertised shortly for rent and will go to the highest bidder who is prepared to provide adequate services.

Mines Minister Philip T. Kelly, whose department has followed very closely developments in the Blind River uranium field, declared recently that, from a mining standpoint, the Blind River and Elliott Lake area will soon rank next in importance to the Sudbury nickel-copper area.

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INDUSTRIAL COMMUNITIES CONFERENCE: The Right Honourable C.D. Howe, Minister of Trade and Commerce, has been appointed Chairman of a committee to assist in selecting 30 Canadians to attend the Duke of Edinburgh's Study Conference on the Human Problems of Industrial Communities in the British Commonwealth and Empire, it was announced recently.

This Conference, which will take place at Oxford, England, from July 9 to July 27, 1956, will provide an opportunity for people from all parts of the Commonwealth to study the practical working of industry in the United Kingdom and to discuss their common problems and how they are being tackled. The total membership of the conference will comprise 280 men and women broadly between the ages of 25

and 45 who are engaged in the managerial, technical and labour-operative roles of industry. They will be selected from among those who now hold, or are likely to hold, positions of responsibility, and who are taking an active interest in the life of their community. The industries from which members of the conference will be drawn include manufacturing, mining, transportation and distribution. The conference is essentially for persons actively engaged in industry, and therefore government departments, universities, financial institutions and service undertakings will not be represented.

The Canadian selection committee, of which Mr. Howe is Chairman, will consist of representatives of both management and labour. The Vice-Chairmen of the committee are Mr. Claude Jodoin, President, Trades and Labour Congress, Ottawa, and Mr. W.S. Kirkpatrick, Vice President, Consolidated Mining and Smelting Company of Canada Limited, Montréal. In reviewing applications for membership in the Conference, the committee will try to ensure that all industries and regions in Canada are represented in the group which will go to Oxford next year.

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LEBANESE MINISTER FOR CANADA: On December 8, His Excellency Ramiz Shammah presented to His Excellency the Governor General his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Lebanon to Canada. Mr. Shammah, a graduate of the American University of Beirut and of the Syrian University of Damascus, joined the Lebanese Foreign Service in 1945. Since then he has served as Consul in New York, Counsellor of the Lebanese Embassy in Cairo, Head of the Economic Department and Acting Chief of the Political Department of the Lebanese Foreign Ministry. Since February 1953 he has been Consul General in Ottawa. Mr. Shammah has represented his country at a number of international conferences, including four sessions of the General Assembly of the United Nations.

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NEW CANADA-US FERRY: Transport Minister George C. Marler announced recently that the Department's new vessel, the "Bluenose", which will operate as an automobile and passenger ferry between Yarmouth, Nova Scotia, and Bar Harbour, Maine, had successfully passed operational trials. The vessel has now been accepted by the Department of Transport and has been turned over to the Canadian National Railways for operation. Mr. Marler said it was planned for the Canadian National Railways to take the vessel out of the St. Lawrence River before ice closed in. The "Bluenose" will be taken to Yarmouth, and service to Bar Harbour is expected to commence as soon as all necessary arrangements are completed.

CANADIAN INDUSTRIES PLAN RESEARCH REACTOR

ISOTOPE PRODUCTS LIMITED: An industrial research reactor that will harness the atom to the needs of specific industries is being considered by a group of Canadian companies. Sponsored by the Pulp and Paper Research Institute and Isotope Products Limited, Oakville, the plan calls for participation by up to a dozen firms in the rubber, oil, chemical, metal and food industries and by the entire Canadian pulp and paper industry.

President of Isotope Products and a former Chalk River scientist who pioneered industrial use of the atom in Canada, Donald C. Brunton, announced the plan this month. Several firms have already agreed to participate; other companies are currently considering the proposal. The project is a unique joint effort by a group of unrelated industries to secure common benefits from atomic research.

The project, which may cost \$2 million, will provide a nuclear reactor specifically designed for industrial research and industrial application of atomic energy. Preliminary study on the reactor's design will take about nine months. The reactor is likely to be operating by early 1958. Once in operation, this reactor will provide research facilities tailored to the needs of the specific industries involved. It may produce as well radioactive isotopes for the participant firms.

PIONEER PROGRAMME

Private enterprise atomic reactor projects are under way in the United States for power generation purposes. But this is the first industrial proposal for a research type reactor on the continent. In Canada it is the first private enterprise reactor apart from the joint government-hydro-General Electric project to build a nuclear-fueled electric power plant. The Isotope Products scheme "may well embrace power and processed steam possibilities but we are not planning a power reactor", said Dr. Brunton.

Isotope Products is the sole non-government firm in Canada specializing in industrial application of atomic energy. Formed by a group of former Chalk River scientists in 1950, the firm has developed a continent-wide gamma radiography service and manufactures isotope instruments which are used for industrial process control throughout Canada and the United States. The Canadian pulp and paper industry - the first industry to use these instruments on a broad scale - has harnessed the atom to profitable work more than any other group of companies. The Pulp and Paper Research Institute, Montreal, has been applying radioactive materials to industrial research in an intensive programme since the war.

Pending final settlement of the sponsoring group's composition, the Canadian Government

has not been officially approached for permission to build a nuclear reactor. "This project will not duplicate, but will supplement, the work being done at Chalk River", said Dr. Brunton. "We pursued the proposal because the Canadian Government has urged private enterprise to participate in the peace-time development of the atom. Certainly we will be dependent on Atomic Energy of Canada Limited, for both permission and guidance in the project".

Early this year, W. J. Bennett, president of the Crown company Atomic Energy of Canada Limited, foresaw "creation of a new industry in Canada capable of supplying commercial markets for reactors, components and reactor fuels here and abroad." With such economic possibilities Mr. Bennett said: "The time has come when industry and the utilities should accept some share of the responsibility for the power reactor programme. While the Chalk River programme for the present will be concentrated on small reactor project and design study for a large reactor, we will co-operate fully with any company interested in pursuing a different line of approach."

PRIVATE PROJECTS

First result of this government invitation for private enterprise participation was a start on NPD, the research reactor to determine an economic design for nuclear-fueled electric power stations. The Isotope Products plan for development of industrial atomic research is the second result of this government bid.

Unlike the Chalk River piles, NRX and the nearly completed NRU, which feature a very high neutron flux, the Isotope industrial research reactor will aim at production of intense gamma radiation as well. This is a significant factor, Dr. Brunton explained. Neutrons produce radioactivity and consequently must be safely confined to the reactor. Gamma rays, on the other hand, possess qualities of prime value to industry, but do not induce radioactivity in materials they penetrate. Thus gamma radiation can be directly used by industry for a range of purposes from inducing chemical change to sterilizing foodstuffs.

The industrial research reactor being considered by the Isotope-Pulp and Paper group would also differ from Chalk River piles in its fuel. NRU and NRX are "slow" reactors using natural uranium fuel which is plentiful in Canada. Use of this type of fuel requires a costly capital investment in plant and a moderator such as heavy water. The Isotope reactor will likely use an enriched fuel which contains readily fissionable plutonium or uranium 235. Such fuel would require a smaller capital investment in the reactor plant than a reactor designed for use of natural uranium.

FRESH IMPRESSIONS OF THE RUSSIANS

AND THEIR LEADERS

(Continued from p. 1)

on the part of those who govern the people. Therefore, it is far more important to try to answer the more difficult question. Do the small closely knit group (at least closely knit at present) which governs these 175 million people, do they want peace?...

"When they talked about peace and tried to tell me it was their only desire, I was not as convinced as I was about the feeling of the people themselves. Yet I think it is probably true that they do desire peace (I am talking of the rulers now) or at least a peaceful interlude. I have come to that conclusion because of two factors. One is that when the two men who are running Russia now (they say are all equal in the Russian Politbureau but I should say the two who are 'more equal' than the others are Mr. Khrushchev and Mr. Bulganin), claim their devotion to peace, they may really want a peaceful interlude because they are hard, realistic men, not suicidal fanatics like Hitler, and they know that the alternative of peace if it takes the form of World War III is hydrogen extermination....

"There is another reason. Mr. Khrushchev said to me on more than one occasion: 'We want peace because we can win the conflict between the two systems, your system and our system, without war. So if the Communist system will prevail without war, we would be very stupid to go to war.'...

DANGEROUS IGNORANCE

"Their ignorance of the Western world, and especially of North America, is total and dangerous. If somehow we could remove that ignorance, as I said earlier, and get into contact with the people through honest, genuine information, things would be a lot better.

"The leaders, however, who do not have to believe their own propaganda, claim that they also fear the United States. Every time I got into an argument with one of them on this score (and it was one of our favourite subjects for argument) he would pull out of his pocket some press clipping which would be based on a Tass despatch from the United States or Canada and which stated that somebody over here had said that we are going to do something very unpleasant to the Russians. These despatches would be edited, I suppose, and the effect they would create among the people would be bad. Even the leaders might be impressed by certain talk in the States and in other Western countries....

"It is also just possible that they may, by a process of auto-intoxication, have come to believe their own propaganda which is based on creating fear of the United States. Or it may be that these people are just trying to rationalize and justify their own aggressive poli-

cies by trotting out this fear bogey of the United States and the Western world which has caused so much alarm. But whatever the reason is; their ignorance, genuine or calculated, is one of the most dangerous factors in the present situation.

"I know of no better illustration of this than the present visit to India and Burma of these two Soviet leaders, Marshall Bulganin and Mr. Khrushchev. Statements which they have been making in India and Burma display an ignorance and insult the intelligence of the people whom they are addressing and whose guests they are. For instance, when Mr. Khrushchev said (and he is a very frank speaker - frank almost to the point of crudity) that in 1941 the United Kingdom organized and arranged the attack by the Nazis on the Soviet Union, it is very difficult indeed to believe that he, as a Soviet leader, is ignorant of what the facts were at that time. Therefore if you do not believe he is so ignorant - and that is hard to believe - then you must believe that he is doing this for some bad political purpose.

TRUE RECORD

"It is just as well, in the face of this kind of remark, we should recall that in 1941, when Great Britain was being charged by the Soviet leader with organizing the attack on Soviet Russia by the Nazis, Great Britain and the nations of the Commonwealth were standing almost alone against the tyranny and terror of Nazi might. Indian troops, maybe some of whom were in Mr. Khrushchev's audiences in India, were fighting with us at that time to save Europe and the world from Nazi aggression - from Nazi military tyranny, which at that time was being aided and abetted by the Soviet Union. If remarks of that kind are based on ignorance, it is frightening to think that the destiny of 175 million people in Russia, and therefore our own destiny to some extent, is in the hands of such men. If it was not based on ignorance, it must be based on a calculated effort to cause trouble. It throws a lurid light indeed on the Spirit of Geneva about which I heard so much in Russia and which, along with millions of other people in the world, we so warmly welcomed at that time.

"To sum it all up, we came back to Canada feeling that so far as the Soviet Union was concerned the likelihood of a military attack was not great providing we retain enough military strength in the West - in NATO and in other places - to remove the temptation provided by the hope of easy victory. If we remain strong militarily there is not likely to be an all-out aggression. But that does not mean there is not going to be conflict. We are indeed, in a new kind of conflict. We have been in it for some time. We are just beginning to appreciate its importance and its significance - conflict short of all-out war...."



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THE PROBLEM OF UNITED NATIONS MEMBERSHIP: A CANADIAN PROPOSAL

A MATTER OF URGENCY: "The effectiveness of the United Nations as an instrument of international co-operation and as a world forum is directly involved in the solution of the new members problem," declared Mr. Paul Martin, Chairman of the Canadian delegation to the United Nations General Assembly, in a statement to the Ad Hoc Committee on December 1 setting forth a new Canadian proposal. "It is now our strong belief that we can break the deadlock...The opportunity is ours if we will act reasonably now."

In a brief outline of the history of the membership question, Mr. Martin remarked that, although "the conditions for admission of new members are clearly set out in the Charter both as to substance and as to procedure," it had become evident that the problem was not strictly legal, constitutional or procedural but political. He noted that, as recently as 1950, only nine countries had been granted a UN membership out of a total of twenty-three applicants. There existed by that time, he added, "a deadlock over the so-called 'package deal', but, in many countries, support for the principle of universality was growing." The powers represented at the Bandung Conference had "recorded in no uncertain terms their own position regarding universality of membership." At the San Francisco Conference last June, Mr. Martin continued, "speaker after speaker pointed out that, to play its full part in improving the international situation, our

organization had to be more nearly universal and a solution to the problem of new members had to be found urgently."

The balance of this statement follows verbatim:

"...The proposal which Canada is now putting forward in association with other members has not been advanced lightly. It is not a proposal which we have always favoured but one which we have come to support slowly and deliberately after prolonged study of its implications and consequences and after careful probing of our conscience. We have sought to find other ways out of the dilemma presented by the problem of new members but we have, in the course of time, rejected them all as impractical or as involving consequences less in the interests of the United Nations. For this reason, at San Francisco last June, my colleague, Mr. Pearson, called for action on the waiting list of applicants, convinced that the time had come when we should accept all the applications for membership which are now before the United Nations.

"We have, however, delayed taking any initiative in this matter because, from the outset, we have been mindful of the fact that in the admission of new members the Charter lays a joint responsibility on the Security Council and on the Assembly. It was our hope that the Security Council would have found it pos-

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THE PROBLEM OF UNITED NATIONS
MEMBERSHIP: A CANADIAN PROPOSAL
(Cont'd from p. 1)

sible to deal with this problem long before now, but we have come to the conclusion that we should not allow another session to pass without taking action which seems to us necessary in the Assembly. And, unless I am mistaken, many other members of the Assembly share the view of my delegation both as to the urgency of dealing with the issue and the desirability of recording our respective positions in this field. It is desirable that the views of one of the two organs of the United Nations which are concerned with the admission of new members should be clarified fully at this juncture so that the members of the other body concerned may appreciate our position in reaching their own conclusions....

"After long consideration it has seemed to us that the worst course would be to allow a considerable number of countries to languish in frustration outside the United Nations. Most of the applicants are countries with much to contribute to or gain from our organization. They are in many cases countries with ancient traditions and great cultures. Some are countries with governments newly instituted which are anxious to establish their international relations within the ordered framework of the United Nations as the organ of the community of nations.

ITALY OUTSIDE UN

"In particular, I have in mind the case of Italy, a country which culturally has been one of the main creative forces within our Western civilization and one which, for instance, in the field of law, for thousands of years literally has made a constant and inspiring contribution. It is hardly conceivable that our organization should continue any longer to operate without being able to list among its members a country like Italy which is one of the recognized founders of the very family of nations of which this organization seeks to be the expression.

"Some applicants are controlled by regimes or are following policies which we do not like. Some dwell in such isolation and obscurity that we know little about them. This is far from a satisfactory situation, but the question remains whether admission of these members will on the whole make it better or worse. We think that the edge is more likely to be taken off intolerance and misapprehension within the United Nations than in barren isolation.

"We do not agree with the tendency to look upon admission to membership in the United Nations, or, for that matter, upon recognition of states as the conferring of a favour and to forget that it is also in some respects the performance of an international duty and the imposing of a discipline. Admission to member-

ship means the bringing of countries under the obligations of our organization and these are obligations which go far beyond those which are normally incumbent on members of the international community under the law of nations. We may disapprove of the regime or of the policy of some of the applicants; but are they not likely to become more acceptable members of the world community as part of this organization, when they are committed to its purposes and subjected to its rules? There is an obligation upon members of this organization to behave in accordance with definite principles and to observe in so far as possible the decisions of its various bodies. While no member could pretend that his record has been impeccable -- and the record of some have left much to be desired -- the noble principles of the Charter remain for all of us, to a greater or less extent, standards by which to measure ourselves. They are not yet fully attained but they inspire our conduct and we can say that being accountable to this great organization has had a beneficial effect on our behaviour. The same is bound to happen to these countries which are now outside, when they subscribe to principles and join an organization which we strongly support....

OBJECTIONS EXAMINED

"Let us face frankly the principal concern of those who fear, for instance, that the admission of some of these states would be contrary to the terms of Article 4 (1). Can we say that these states are 'peace-loving', an essential requirement for membership? How can we interpret exactly the meaning of this term 'peace-loving'? It does certainly not mean 'pacifist', because virtually all member states, including my own, maintain armed forces and believe that we must be prepared to fight if necessary to defend our principles and our way of life. Perhaps it is easier to understand this term if we contrast it with its antonym, which would presumably be 'war-loving'. We have known war-loving states in the past. The United Nations was itself founded in the association of countries fighting together against states controlled at that time by men who loved and glorified war for its own sake. There remain perhaps some individuals in the world who share this degenerate attitude to war, but I doubt if there is any state in the world today which now does so as a national policy. This is the age of the hydrogen bomb. To me it is inconceivable that states, whatever they may consider their national interests to be, should not now live in horror of war. It remains true that there are states - and I do not exclude some of the present applicants for membership - whose policies, if not altered but pursued in the extreme, could provoke war; but I am prepared to believe that they are not seeking war as an objective or instrument of national policy and that they would in fact go to considerable

GREAT LAKES AGREEMENT: The fourth bilateral fisheries agreement between Canada and the United States was brought into force recently at Ottawa when an exchange of instruments of ratification for the Great Lakes Fisheries Convention took place in the office of Acting Fisheries Minister Robert H. Winters.

The new convention provides for joint action in Great Lakes fishery research as well as in a programme for the control of the predator lamprey in these waters. The three other conventions deal with Pacific halibut, salmon and fur seals.

Signed copies of the convention were exchanged between Mr. Winters for Canada and the U.S. Ambassador to Canada, R. Douglas Stuart. The ceremony took place in the office of Mr. Winters in the presence of officials of the Department of External Affairs and George R. Clark, Deputy Minister of Fisheries.

The convention, which will have an initial duration of 10 years, provides for the establishment of a six-man Great Lakes Fishery Commission made up of three appointees from each country. A non-regulatory body, the Commission may only recommend, on the basis of research findings, measures to make possible the maximum sustained productivity of the Great Lakes fisheries.

Concern by both Canada and the United States over the decline of some of the fisheries of the Great Lakes, and the serious damage being caused by the lamprey, brought about the recognition of the necessity for joint and co-ordinated efforts to determine the need for the type of measures which may make possible the optimum productivity of the fisheries of these waters.

The area embraced by the convention includes Lake Ontario (including the St. Lawrence River from Lake Ontario to the 45th Parallel of Latitude), Lake Erie, Lake Huron (including Lake St. Clair), Lake Michigan, Lake Superior and their connecting waters. The area also includes the tributaries of these waters to the extent necessary to investigate any stock of fish of common concern, the taking or habitat of which is confined predominantly to the area, to eradicate or minimize the sea lamprey populations.

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WOUND AND SERVICE STRIPES READY: Wound stripes and service chevrons for officers and men of the Canadian Army (Militia) will soon be making their appearance across the country. Manufacture of the new badges is complete and delivery can now be made to Militia soldiers. They will not be adopted by the Regular Army. For each wound from enemy action in the Second World War or in Korea, Militia soldiers will wear one gold stripe on their left sleeves. The stripes are one and one-half inches long and one-eighth of an inch wide. Wounds suffered prior to the Second World War will be marked by red stripes of the same size.

OCEANOGRAPHIC SURVEY: Canada's contribution to the largest oceanographic survey ever undertaken ended early September when seven young British Columbia research men stepped ashore at Esquimalt, B.C., from a Canadian frigate after a cruise of 38 days, which took them over 7,100 miles of Pacific Ocean waters. The party consisted of personnel from the Pacific Oceanographic group of the Fisheries Research Board of Canada at Departure Bay, B.C., headed by A.J. Dodimead and included R.H. Herlinveaux, A.W. Groll, H.J. Hollister, M. McKenzie, C. Sauer and E.B. Bennett. HMCS "Ste. Therese", under the command of Lieutenant Commander W.F. Potter, was the one Canadian vessel used in an international cooperative undertaking which included survey ships from the United States and Japan. Data gathered in the overall survey will be polled by the three countries with the general objective of accumulating more knowledge of Pacific Ocean currents and discovering charting patterns of fertile areas of the Pacific which, in turn, will give a better understanding of fish populations. Working for the most part in fog, rain and heavy overcast, the research party recorded water temperatures and took specimens at 85 stations throughout the cruise, which covered an area north of the Tropic of Cancer and westward to Longitude 170 degrees. In all 1,400 water samples were taken, at depths varying from surface to 650 fathoms down. A chemical laboratory set up on the "Ste. Therese" enabled the research men to carry out chemical analyses of the samples.

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APPLES, PEACHES, PEARs, CHERRIES: Crops of apples, peaches, pears and cherries were the largest on record this year, according to estimates by the Dominion Bureau of Statistics. There were also larger crops of plums and prunes, apricots and loganberries, but smaller harvest of strawberries, raspberries and grapes.

The apple crop is estimated at 19,500,000 bushels, 34 per cent above last year's 14,600,000 bushels. The increase was due to heavier yields in all provinces in which apples are grown commercially, but most of the increase occurred in Eastern Canada, particularly in Quebec and Nova Scotia. The quality of the fruit is high.

The peach harvest is now estimated at 2,900,000 bushels, 21 per cent above last year's 2,400,000, increases being recorded both in Ontario and Quebec. Pear production rose to 1,500,000 bushels from 1,300,000 and cherries to 544,000 bushels from 500,000.

Crops of other fruits follow: plums and prunes, 780,000 bushels (716,000 a year ago); apricots, 218,000 bushels (118,000); strawberries, 22,659,000 quarts (27,971,000); raspberries, 10,957,000 quarts (12,839,000); loganberries, 1,530,000 pounds (1,056,000); and grapes, 86,470,000 (92,774,000).

CANADA ACCEPTS PALESTINIAN REFUGEES: The Department of External Affairs announced on December 2 that the Canadian Government had tentatively decided to admit a limited number of Palestinian refugees as immigrants to Canada. This decision had been taken in view of the requests received from Palestinian refugees for immigration to Canada and in the context of Canada's continuing desire as the fourth largest contributor to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) to do what it could to promote the welfare of refugees.

The immigrants would be chosen from amongst English or French speaking refugee applicants in Lebanon or Jordan who have certain specified trades or skills which would enable them to find employment in Canada. Prospective immigrants and their families must also meet certain health and other requirements.

Because of the lack of Canadian immigration facilities in Lebanon and Jordan, the Canadian Government has requested UNRWA to assist with pre-selection of refugee applicants who have the necessary qualifications and UNRWA has been kind enough to agree to provide this assistance. The final choice of immigrants, however, will be made by Canadian immigration officials who will visit Lebanon and Jordan in the near future for this purpose. Because of the limited number of applicants to be accepted, the Canadian officials will make a selection from amongst applications submitted by UNRWA.

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NEW RCN PATROL VESSELS: The Royal Canadian Navy commissioned the first of its new Bird-class patrol vessels, HMCS Loon, at Toronto on November 30.

The Loon, built by the Taylor Boat Works, Toronto, is one of four ships of her class under construction for the Royal Canadian Navy. The vessel was commissioned under the command of Lieutenant A.J. Norman, of Halifax, and sailed for Halifax, her future base, soon after the ceremony.

The Loon has a displacement of 65 tons, is 92 feet in length with a beam of 17 feet. She is propelled by two 600 h.p. diesel engines capable of developing a top speed of 14 knots. Primarily of wood and aluminum construction, the Loon will have a complement of two officers and 19 men.

The other vessels of her class are being built at Midland, Orillia and Penetang and are scheduled to be completed in the spring.

Average monthly consumption of electricity per domestic service customer last year ranged from a low of 64 kilowatt hours in Macleod, Alberta, to a high of 536 kilowatt hours in Ottawa.

TENTH ANNIVERSARY OF FAO: On Saturday, October 15, a plaque was placed in the Chateau Frontenac Hotel in Quebec City by the Historic Sites and Monuments Board of Canada commemorating the birth of the Food and Agriculture Organization of the United Nations on October 16, 1945. The occasion was taken by the North American Regional Office of FAO to bring together at Quebec a representative group of United States and Canadian government officials and leaders of citizens' groups to review the purposes, performance and future of FAO. The discussions, led by six panels - nutrition, fisheries, forestry, agriculture, economics and FAO in 1965 - were followed by a banquet tendered by the Government of Canada at which Mr. James G. Gardiner, Minister of Agriculture, was host and which was addressed by Dr. P.V. Cardin, Director General of FAO and others. The meeting also heard messages recorded by Mr. L.B. Pearson, Secretary of State for External Affairs, who was Chairman of the first conference of FAO; Lord Boyd-Orr, First Director General of FAO and Sir Roger Makins, British Ambassador to the United States.

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"TAMBURLAINE" REHEARSALS START: Rehearsals of "Tamburlaine the Great", the Tyrone Guthrie production of the Christopher Marlowe play scheduled for Toronto and New York in January, began in Toronto on December 12th. The play is being presented by Producers Theatre of New York in co-operation with the Canadian Stratford Shakespearean Festival Foundation.

The full company of the production includes ninety-two actors, singers, and musicians. Featured in the cast are leading members of the Canadian Festival company, with Anthony Quayle, actor-director from Stratford-upon-Avon, in the title role. Toronto artists who have been selected for major roles include Barbara Chilcott as Zenocrate, Lloyd Bochner as Callapine, Robert Christie as Theridimas, Donald Davis as Agydas, Eric House as Mycetes, William Hutt as Techelles, Neil Vipond as Calyphas and Douglas Rain as Bajazeth. From Montreal are Robert Goodier, who plays Meander and William Shatner, playing Usumcasane with British member of the Canadian Festival company, Tony Van Bridge, playing Cosroe.

* * * *

HOME FOR CHRISTMAS: Thirty-six Canadian soldiers who had completed a tour of duty in Korea and Japan docked at Seattle on December 9.

They sailed from Tokyo on November 28 aboard the USNS General Mitchell. These are the last troops to be brought home by sea from the Far East before Christmas, although a few others may be returned by air in time for Yuletide festivities with their families.

CANADIAN WHEAT IN THE WORLD MARKET

THE SURPLUS PROBLEM: Two main considerations govern the disposal of Canada's wheat abroad, said the Minister of Trade and Commerce on December 5 in an address at Edmonton to the Farmers' Union of Alberta: "On the one hand we have produced unprecedented quantities of grain in the Prairie Provinces in the past five years... On the other hand we have been, and are, facing intensive competition... in overseas markets." Mr. Howe continued, in part:

"There is no way in which world markets for wheat can be increased overnight to take care of a burst of production such as we have had in the Prairie Provinces. Inevitably, on the basis of our production record, we are in the position of carrying substantial stocks of wheat in Canada and, inevitably, we have storage problems. These things were bound to arise even though a splendid effort was made, and is being made, in disposing of wheat during this period of flush production....

U.S. WHEAT DISPOSAL

"A great deal has been said about the United States disposal programme. The problem, of course, arises from the fact that domestic prices of wheat in the United States are supported at levels above those prevailing on world markets. Therefore, the United States would not sell any wheat at all for export were exports not subsidized by the United States Treasury. As wheat supplies have become more plentiful throughout the world, the subsidy programme of the United States has been intensified in an endeavour to force United States wheat into markets which, under other circumstances, would look to traditional suppliers, and especially to countries supplying the most desirable qualities of wheat....

"Under the United States disposal programme wheat can be given away outright in cases of distress. Canada, of course, does not take exception to outright gifts of wheat by the United States in cases where normal commercial transactions cannot take place. And finally, on occasion during the past year the United States Government has been offering limited quantities of Government-owned grain by auction to the highest bidder. We have taken very strong exception to this policy, because when applied it has had the effect of destroying confidence in going price levels....

"So I suggest to you that, before recommending sales of Canadian wheat for local currencies, or under barter arrangement or by any one of the other devices that have so demoralized wheat markets throughout the world, you should pause to consider the full effects of what you are proposing. To propose that wheat should be sold for local currency is really only a different way of saying that Canada

should be willing to sell at a discount, or perhaps for nothing at all to some customers. The buyer certainly interprets an offer in his local currency in that way. A barter proposal is interpreted in the same way. The buyer of wheat thinks either that he is going to get his wheat for less than the world market price or that we here in Canada would be willing to pay more than the world price for the commodity which he is offering in exchange....

"To meet competition this fall, the Canadian Wheat Board has not hesitated to lower its selling prices when necessary to keep Canadian wheat competitive in the markets of the world. I think it is to the credit of the Canadian Wheat Board that in the matter of price adjustments it has exercised restraint. The Wheat Board in its pricing policy has endeavoured to keep Canadian wheat moving in the markets of the world, but at the same time, it has continued to be a firming influence. I am sure that buyers abroad appreciate the price stability which has emanated from Canada at a time when bearish influences were very strong. In this modern world in which we live it is generally recognized that the collapse in international wheat prices would have very far-reaching effects not only upon exporting countries, but upon the economies of importing countries as well. If this were not so, I don't think you would have the nations of the world, large or small, and mostly wheat importing countries, sitting at the Council table this fall and again after the turn of the year, considering the bases upon which a new International Wheat Agreement can be arrived at....

"There were some encouraging factors in our export situation last year. Our exports of wheat and flour to the United Kingdom reached a total of 102 million bushels in 1954-55. This compared with 82 million bushels in the previous crop year when the Ministry of Food's reserve stocks were put into consumption. However, it is encouraging that in a difficult export year we were able to sell slightly over 100 million bushels of wheat to the United Kingdom, or more wheat than all other suppliers combined. I think this is a reflection not only on the quality of Canadian wheat exports, but also our ability to meet British requirements in terms of prompt availability and the despatch with which vessels are loaded at Canadian ports. Our deferred pricing system was also helpful in that it lessened the risk of British mills in purchasing wheat in this country. We had good success in other European markets. We increased our sales to Belgium, Germany, the Netherlands and Norway, to quote a few...."

THE PROBLEM OF UNITED NATIONS
MEMBERSHIP: A CANADIAN PROPOSAL
(Continued from p. 2)

lengths to avoid it. This, it seems to me, rather than compliance with certain subjective structural or policy tests, should be the criterion to be applied in relation to Article 4 (1).

"Some objections have been made to the admission of certain applicants of the grounds that they might not fully qualify as states and that they might not be able to carry out their obligations as members of this organization. We are entering here a field where there is bound to be controversy. Unless there is willingness to compromise, to take a moderate view, again the prospects of progress are likely to be jeopardized indefinitely. For our part, we consider that new candidates should not be required to meet stricter standards than those which have been applied in the past in dealing with this problem.

"I submit that we must interpret the Charter in a spirit which is compatible with the organization as it exists and as it has developed since its foundation. The United Nations is not and it never has been the preserve of countries all of whom are inclined to give similar interpretations to Article 4(1) or any other. We could of course have formed a United Nations of this kind with membership exclusive to those who see alike on most things. When we rejected such a conception of the United Nations we accepted by implication a broad interpretation of the terms of the Charter.

"In the view of my delegation, there has never been any doubt as to the infinitely greater value of a United Nations which embraces all the major traditions and contemporary philosophies of government than of one confined to those who are unlikely to quarrel with each other over anything serious. Having accepted this view as one more likely to bring about peace and harmony in the world, we are obliged, I think, to accept its implications. One of those implications is that we ought not to use the Charter to bar from membership countries whose policies and points of view resemble closely those of other states which are Charter members.

"It is by the principle of ensuring the broad representative Charter of the United Nations that we have justified the position taken in our draft resolution. It may be thought that this is a principle which is contrary to the strict letter of the Charter. If one accepts, however, the argument that I have put forward above, I do not think that there is a contradiction involved. My argument is that the principles of the Charter must be interpreted in the light of the intended worldwide nature of our membership. If the United

Nations were confined entirely to peoples of one tradition, then we might be justified in a more limited interpretation of Article 4. Given the fact, however, that it includes members of many different traditions, that it is, in a sense, therefore, virtually universal, we must understand its provisions in those terms...

"Our support of the draft resolution is based on a philosophy of the United Nations as we see it, a United Nations which is as near universal as possible. We are aware of the fact that the expansion of the United Nations will introduce more voices, perhaps in some cases discordant voices, into a community where there is already much discord. We realize that by bringing in these members we may be swelling the opposition occasionally to measures which we shall undoubtedly be supporting. Unquestionably it would be easier to sit back and prolong the present situation indefinitely out of fear of unknown consequences; but, in our view, to do so would be a sterile attempt to preserve a restricted arrangement which is bound to be swept away sooner or later....

COPROMISE SUGGESTED

"The problem as we all know is urgent. Our draft resolution suggests a compromise arrangement which we believe to be compatible with the provisions of the Charter. As I said at the beginning of my remarks, we are faced with the unique opportunity of completing the task we undertook at San Francisco in 1945. If we approach the task in the spirit of understanding and moderation which inspired our course ten years ago, I am sure that we shall succeed again.

"In conclusion, I wish to appeal to the members of the Security Council. Those members of the Council with whom I have been in close contact during the last arduous weeks deserve credit for what I consider an understanding attitude in a matter which is of such importance to the United Nations and to the world. When they next deal with this matter, I am sure that they will bear in mind the widespread desire within this organization and outside, to see the United Nations develop into the representative organ which its founders envisaged and I wish to urge all members of the United Nations not to allow divergencies of interpretation and disputes over detail or extraneous issues to stunt the expansion of our organization and to prevent it from achieving at last its intended and natural world-wide character.

"At the outset, I said that this could be a historical occasion. No one will deny that it is an important event. For some time now my colleague, the Secretary of State for External Affairs, Mr. L.B. Pearson, has shared with so many others a deep desire to extend the membership of the United Nations in which he and the Government of which he is so distinguished a member, have such great faith.



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A YEAR OF CANADIAN RADIO AND TELEVISION

CBC 1954-55 REPORT: All aspects of Canadian television developed rapidly in 1954-55, the Canadian Broadcasting Corporation reported in its annual report for the year ended March 31 last.

The number of TV stations in operation tripled during the year. All were provided with CBC programme service. Canadian demand for television was reflected in the sale of about 700,000 new sets, bringing to more than 1,400,000 the number in use in Canada. To meet this demand, coverage of the country expanded to the point where more than 10,000,000 Canadians now live within the coverage areas of Canadian stations. At the same time, substantial progress was made in improving the quantity, variety and quality of TV programmes both in French and English.

These activities brought operating expenditures for Canada's publicly-owned two-language television system to \$15,916,000 compared with \$7,364,000 the previous year.

Total television revenue, mainly from the excise tax on the sale of receiving sets and from commercial broadcasting, also continued to grow. It amounted to \$21,276,000 compared with \$13,071,000 in 1953-54, leaving an excess of income over expenditure -- after allowance for depreciation and obsolescence -- of \$4,-479,421 on TV operations. This amount was held in reserve to meet an operating deficit in 1955-56 which is expected to result from full-

year costs of commitments made during 1954-55 as part of normal improvements and development of the service.

At the same time, radio services on the three networks -- Trans-Canada, French and Dominion -- were fully maintained and programme quality was strengthened. This was reflected in a sharply-increased number of awards to CBC at the exhibition of American radio programmes held at Columbus, Ohio, where the CBC headed all North American networks. The number of awards received was approximately double that of the previous year, and television entries, made for the first time, were given one first award and three honorable mentions.

Increased operating expenses together with a decline in income resulted in a deficit of \$211,753 for the Sound Broadcasting Service. This was more than offset by an operating surplus of \$1,283,895 for 1953-54.

Total operating expenses for Sound and Integrated Services were \$13,188,000 compared with \$12,532,000 the year before, while at the same time commercial revenues for radio dropped to \$2,106,000 from \$2,471,000 and income from excise tax on the sale of radio receivers dropped to a point which the Corporation said was "probably more than \$2,000,000 below what would have been the proceeds of the former license fee which it replaced." Revenue from this source was \$4,510,000 as against \$5,057,-000 the year before.

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A YEAR OF CANADIAN RADIO AND TELEVISION

(Continued from p. 1)

Total expenditures for the Corporation reached \$29,104,000 against \$19,896,000 the previous year, while total income increased to \$34,736,000 from \$27,431,000 in 1953-54. This resulted in a excess of income over expenditure of \$4,268,000 compared with \$6,568,000 a year before, after allowance for depreciation and obsolescence.

During the year, the CBC made agreements with communication companies for extension of direct relay TV network facilities from coast to coast, a goal which is expected to be reached early in 1958. Pending completion of this, a kinescope or film recording service was developed which now is one of the largest in the world.

A total of 17 new stations was established, including two CBC stations and 15 privately-owned affiliated stations. The latter played an increasingly important part in the national system by providing distribution facilities for the national programme service in many areas. These affiliated stations were carrying an average of more than 40 hours a week of national service by March 31 last.

FINANCIAL OBSERVATIONS

Looking ahead to the Corporation's financial future, the annual report made these observations:

"In the fiscal year ahead (1955-56) the CBC has to face a deficit of considerable size in radio to maintain the service against some increasing cost rates, and was not in a position to make further commitments for the transmission of programmes in some areas lacking service.

"On the television side, income from the excise tax was high because of the very large sale of television receiver sets during the year. Commercial income also rose because of the vigorous growth in the commercial activities of the system. The Corporation, however, maintained its planned course for the development of the television system. A considerable operating surplus was thus achieved in television during the year. This was kept in reserve for what the Corporation knew would be heavy demands ahead as the system continued its growth. As this period ended, the CBC had to face the costs of maintaining for a full 12 months in the year ahead services which had developed only late in 1954-55. In addition it had to meet further needs arising from the establishment of more affiliated stations.

"Looking ahead the Corporation could foresee some increase in commercial television income, but no increase - with possibly some decline - in income from the proceeds of the excise tax. It was apparent that the surplus built up in 1953-54 and 1954-55 would have to be used to maintain operations in 1955-56."

REINDEER ROUNDUP: Canada's most colourful roundup got under way last week, but cowboys in blue jeans and ten gallon hats had no part in it. Their place was taken by about 25 Eskimos on skis, dressed in caribou skin clothing, who are driving nearly 6,500 reindeer to corrals on the reindeer range in the Aklavik area of the Northwest Territories. During the roundup 500 mature reindeer steers and surplus females will be selected for slaughter. The meat, nearly 70,000 pounds of it, will be sold in the area.

The animals are in five separate herds, which roam an area of 16,700 square miles, east of the Mackenzie Delta, that has been set aside as a reindeer range. Resident trappers are allowed on the range, but the killing of reindeer is forbidden to all but the herders and their families. One of the herds is government owned and managed; three others are under native management and one is owned outright by Eskimos. Each of the herds numbers more than 1,000 animals.

The number of reindeer being slaughtered this winter is somewhat less than it has been in some previous years. During the past year there has been a substantial decrease in the reindeer population. More than 7,700 animals were counted during 1954, but this year the number dropped to about 6,500. A contributing factor in the decline is a mysterious weakness which has become evident in animals in two of the five herds. The weakness, believed to be caused by a dietary deficiency, results in bone fractures in the weakened animals.

* * *

NORTH ATLANTIC COUNCIL MEETING: The Department of External Affairs announced recently that a Ministerial meeting of the North Atlantic Council would be held in Paris commencing December 15, to be preceded by meetings of the Military Committee on December 9 and 12 and a joint meeting of the Military Committee and the Permanent Council on December 13. Canada will be represented at the Ministerial meeting by the Secretary of State for External Affairs, Mr. L.B. Pearson; the Minister of Finance, Mr. W.E. Harris; and the Minister of National Defence, Mr. Ralph Campeney. They will be assisted by the Permanent Representative of Canada to the North Atlantic Council, Mr. L.D. Wilgress; the Chairman, Chiefs of Staff, General Charles Foulkes; members of the Permanent Delegation in Paris and of the Departments of External Affairs, National Defence, Defence Production and Finance.

The coming Ministerial meeting will be concerned particularly with completion of the 1955 Annual Review of NATO defence plans, preparations for the 1956 Review, and consideration of the international situation as it affects NATO.

COMMODITY PRODUCTION AT NEW PEAK: Net value of Canadian commodity production set another new record in 1953, rising 6 per cent to \$14,538,000,000 from the previous top value of \$13,728,000,000 in 1952 the Dominion Bureau of Statistics reports in its annual survey of production. Preliminary data for 1954 indicate a fall-off for the first time since 1945.

The most important expansionary influence in the economy in 1953 was the continued growth of consumers' expenditures, reflecting further increases in "real" incomes. Investment in new construction also showed an impressive gain over 1952, with the sharpest advance in the housing component. In addition, inventory accumulation was quite substantial, reflecting a shift from a position of net liquidation of business inventories in 1952 to one of considerable build-up in 1953. On the other hand, defence expenditure, which in the previous two years had been one of the key factors in the total expansion of output, rose only moderately in 1953, and the value of exports showed a moderate decline.

CAUSES OF DECLINE

A number of factors lay behind the indicated decline in 1954 as compared with 1953. These include: a sharp drop in agricultural production; a turnaround of business inventories from the substantial build-up in 1953 to a position of net liquidation; a fall-off in business outlays for plant, machinery and equipment; a decline in exports; a reduction in defence expenditures; and lower demand for consumer durable goods. These downward pressures were partly counter-balanced by continued strong demand for nondurable goods and the considerable increase in outlays for new housing.

The advance data by industries indicate that the net value of agricultural output dropped about 28 per cent in 1954, while other primary industries recorded advances: mineral production, in volume terms, was up nearly 13 per cent; output of electric power rose more than 5 per cent; the volume of sea-fish landings increased nearly 10 per cent; forestry also showed some gains in output. The net value of manufacturing production declined about 2 per cent with the major fall-offs occurring in the durable goods industries of iron and steel products, and transportation equipment. By contrast, a moderate increase occurred in the non-durable manufacturing industries, despite considerable declines in textiles, clothing and rubber goods production. The net value of construction showed a slight increase.

Canada's manufacturing industries accounted for well over half the net value of commodity production in 1953, reaching a new peak of \$7,993,069,000 versus \$7,443,533,000 in 1952.

Construction was in second position with a sharp rise to \$2,454,032,000 versus \$1,976,-700,000, while agriculture was third at \$2,-241,316,000, down from \$2,489,860,000.

* * *

CANADA PRE-EMINENT IN AVIATION: Canadians generally do not realize "that Canada has become an important factor in international aviation, not merely because of her geographical position, but also because Canadians themselves like to travel by air" Transport Minister George C. Marler told members of the Chamber of Commerce of Roberval, Quebec, at an official luncheon meeting, following the inauguration of a new runway at Roberval municipal airport. He quoted figures to show that almost 2,500,000 paying passengers were carried in civil aircraft in 1954 as compared with less than 100,000 in 1936 and that "1955 promises to be the best year in Canadian aviation to date."

Mr. Marler made reference to the striking role that aviation was playing in "the remarkable opening-up of the Canadian northland." He said he had "the strong conviction that when the historians of the future look back on the past few years they will emphasize what we may call the last phase of North American pioneering among the most remarkable events of this decade."

NORTHERN AIRPORTS

There now existed, Mr. Marler said, "an extensive chain of important airports in the north, such as Whitehorse and Smith River in the Yukon Territory, Norman Wells near Great Bear Lake, Yellowknife and Fort Resolution on the Great Slave Lake, Coral Harbour on Southampton Island north of the Hudson Bay, Frobisher Bay on Baffin Island, and Fort Chimo on Ungava Bay. Here is ample evidence of the gigantic expansion and development of the Canadian northland."

"One of the most noteworthy developments in the northland had been the airlift of the Distant Early Warning Line, commonly called the DEW line," Mr. Marler said. "Construction of the DEW line," he said, "necessitated the inauguration of an extensive air lift for the movement of freight from distribution centres in the more settled areas of the country to various northern points, and this work has been and is being carried out most efficiently by our Canadian carriers, who have, so far, transported by air approximately 17,000 tons of cargo for DEW line operations."

A striking indication of the great strides that have been taken "to make Canada one of the world's leading aviation countries is the increase in the number of airport sites," Mr. Marler said. "Before the war, licensed airports in Canada totalled 116; the figure is now 479, and the Department of Transport operates more than 100 of these and assists financially or otherwise at a great many others."

OCTOBER FIRE LOSSES: During the month of October, 145 forest fires were reported in Canada, which burned 24,600 acres. The average number of forest fires in October, during the past twenty years was 228.

The total number for the season was 5,939 to the end of October. The fire season is now over, but since no month in which Canada is entirely free of forest fires, it is to be expected that the total number will be about 6,000 by the end of the year. This is about twice the number in 1954 (3,022 fires) but less than that reported in 1953 (6,440 fires).

These figures do not include the Yukon or Northwest Territories.

Fire statistics have been supplied monthly to the Associate Committee on Forest Fire Protection of the National Research Council by federal, provincial, and industrial forest protection agencies.

* * * *

RAILWAY FREIGHT IN 1954: Canadian railways carried a grand total of 162,470,013 tons of freight in 1954, a decrease of 8 per cent from the preceding year's 176,751,636 tons. Excluding 19,275,173 tons of freight received from other roads (20,502,377 tons in 1953), the tonnage of freight carried on roads on which the movement commenced amounted to 143,194,840 tons, 8.4 per cent less than 1953's 156,249,-295.

Excluding duplications, mine products accounted for 36.1 per cent of the 1954 total at 51,654,754 tons; manufactures and miscellaneous products 29.9 per cent with 42,809,238 tons; agriculture products 19.9 per cent with 28,494,112 tons; forest products 11.2 per cent with 16,028,934 tons; animals and animal products 1.4 per cent with 1,992,487 tons; and less than carload (l.c.l.) freight 1.5 per cent with 2,215,315 tons.

* * * *

ONTARIO MINES BOOM: The great advances made during the last two years by Ontario's mining industry are highlighted by comparison of more recent figures with those in the Statistical Review for 1953, recently published by the Ontario Department of Mines.

Production in that year, for example, totalled \$474,510,226, as compared with more than half a billion dollars in 1954. Prospecting activity, which in 1953 resulted in the staking of 29,019 mining claims for a new record, has been overshadowed by the much greater activity which last year saw more than 50,000 claims staked. During the first ten months of 1955, this new record was surpassed to ensure another new peak for this year.

A giant chairlift, five miles from the resort town of Banff, Alberta, carries visitors 3,240 feet up the slopes of Mount Norquay to a lookout point.

EAGLES FLY ON RCAF TIE: Eagles locked in combat is the design recently officially accepted by the RCAF's No. 1 Air Division in Europe as the motif for their service tie, air division officials announced recently.

The silver grey, hand-embroidered eagles on the dark blue silk background are copied from a trophy competed for solely within the air division—the Lloyd Chadburn Trophy for Air Firing Proficiency.

Wing Commander Lloyd Chadburn was one of Canada's top air aces during the Second World War, having more than twelve enemy aircraft to his credit. Shortly after D-Day while on a routine patrol of the beachhead, an air collision robbed the RCAF of one of its finest pilots and leaders.

Just over a year ago the Canadian Air Division began air firing practices in Rabat, North Africa, and set up an air firing proficiency trophy to be competed for by each of the four continental RCAF wings. They named it after Wing Commander Lloyd Chadburn in memory of his leadership and air firing prowess.

The trophy itself depicts two eagles in combat over a globe of the earth, representing the Canadian fighter wings' role of interceptor-fighters. These are the eagles reproduced on the official Canadian Air Division tie.

* * * *

CANADIAN WARSHIPS FOR NORWAY: Following defence discussions which took place recently between the chief of Naval Staff of the Royal Canadian Navy and the Commander in Chief of the Royal Norwegian Navy, arrangements are being made for Canada to lend to Norway three frigates of the Prestonian Class. It is expected that a diplomatic agreement will be concluded shortly.

The loan of these ships to Norway is in keeping with Canadian Government policy to give strong support to the North Atlantic Treaty Organization. The ships will be taken over by Norway and commissioned early next year. The ships will be immediately available as part of NATO front line strength.

The ships named for the loan are the modernized anti-submarine frigates Penetang, Prestonian and Toronto. Current planning provides for the transfer to occur prior to the end of March. For this purpose crews of the Royal Norwegian Navy will be sent to Halifax to receive the ships. Here they will be assisted by technicians of the Royal Canadian Navy who will be on hand to help train the crews prior to the Royal Norwegian Navy steaming the ships to Norway.

4,056 fishing vessels departed from Canadian ports in international seaborne shipping last year, 1,452 from Nova Scotia ports, 1,030 from British Columbia ports, 975 from Newfoundland ports, 586 from New Brunswick ports and 9 from Grindstone, Quebec.



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A REVIEW OF THE UNITED NATIONS CHARTER

VIEWS ON VETO POWER: Addressing the Plenary Session of the United Nations General Assembly on November 17, the Honourable Paul Martin, Minister of National Health and Welfare and Chairman of the Canadian delegation, said that Canada had always "favoured the principle that the articles of the Charter should in due course be examined in the light of experience" and, for this purpose, had "urged at San Francisco the inclusion of Paragraph 3 of Article 10," the provision responsible for the subject being currently under review. "It was our belief then," Mr. Martin went on, "that the UN could not and would not be a static institution but one which would develop in response to the changing conditions of international life." The rest of this speech follows verbatim:

"We have for several years been studying carefully the way in which the Charter has worked and the many schemes which have been put forward for its reform. To assist this process, we joined other states at the eighth session in sponsoring a resolution which requested the Secretary-General to prepare, publish and circulate to member states specific documents concerning the United Nations Conference on International Organization and concerning the practice of United Nations organs. We are most grateful to the Secretariat for the very useful work they have done in re-

sponse to this request, for it has enabled us all to approach this question before us with a better knowledge of the issues involved.

"There has been considerable interest in this subject in my own country. The Canadian Government has encouraged expressions of public opinion on the complex question of Charter review; many helpful suggestions have been made by important groups in Canada. The question has been raised during proceedings of the Canadian Parliament on several occasions. A prolonged and detailed study of virtually all proposals for alteration of the Charter has been made in our Department of External Affairs. It is as a result of all this deliberation that we have come to the conclusion embodied in this resolution.

"I believe that similar interest has been elicited in many other countries. I have been impressed by the remarks which my distinguished colleagues have made in the general debate of this Assembly concerning the question of Charter review. Views of striking similarity have been voiced by delegates from widely-scattered geographical areas. I am confident that these views, like my own, reflect something more than the academic or official assessment by governments. They reflect the earnest desire, and even the deep anxiety which peoples everywhere have for the success of the United Nations.

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A REVIEW OF THE UNITED NATIONS CHARTER
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"Having said all this, I am bound to say also that in our opinion Charter review does not necessarily imply any substantial revision of the Charter. We have been particularly concerned of course about such features as the use of the veto to block applications for new membership. We have wondered if the composition of some of our principal organs might not require some revision in the light of changing political circumstances and the appearance of new states. These questions must be faced but we think that this can be done without changing the fundamental structure of the Charter. We do not, in fact, much like the idea of pulling constitutions up to look at the roots. Our own history has taught us that constitutional development comes better as a process of growth, of allowing a structure to which we have become accustomed to adjust, to adapt itself without risking the uprooting of the whole plant in the false hope of stimulating it.

CHARTER SURVIVES

"We all know that the Charter was a compromise reached in the specific circumstances of 1945. Its provisions were designed to meet, as far as possible, existing political facts and the hopes and aspirations of the varied members of the United Nations. Clearly these facts, these hopes, these aspirations might change with the passing of time. New conditions might well demand new concepts and new institutions to keep our international machinery in working order. Nevertheless, on reflection, the marvel to us is that the Charter has survived the stresses and strains of the past ten years. The Charter, as we know, was founded on the basic principle of cooperation among the Great Powers. Not only has this cooperation not persisted throughout the last ten years, but at times the deterioration in the relations between those Powers has produced the gravest dangers to the United Nations. Yet our organization has somehow managed to survive, to adjust itself to a world situation for which it was not expressly designed, and it has accomplished a great deal in many fields.

"The experience of this past decade has caused us to ask ourselves whether the so-called imperfections of the Charter are the result of its inadequacy or the result of a failure on the part of members to apply the Charter in letter--but more important--in spirit. It has not been the existence of the veto but its misuse which has caused the trouble for the most part. The veto provisions merely reflect the nature of power as it exists in the world, and we cannot change that reality by rewording the articles of the Charter. Nor would attempts to alter Article 2(7) affect, in our opinion, the position adopted by member

states on their sovereign rights in the present state of the world. What is needed rather is a more sober realization of the way in which progress and reform can be brought about in an imperfect world.

"We have heard a great deal at this Assembly about the improvement in the international atmosphere. Our deliberations to date have shown some evidence of that improvement even though we have not moved much closer to solving some of our major problems. Certainly there have been indications from every quarter of a desire to see this new atmosphere continue and develop in scope. If this development is to take place, we shall undoubtedly see marked progress in all fields of United Nations endeavour. Some may regard this as a return to normality in international relations. By whatever name it is called, it will be a move in the direction of the kind of international cooperation which the Charter expects.

CAUTION ADVISED

"Accordingly, in our view it might be useful to allow some period of time to elapse, during which we would all hope that the international atmosphere would continue the recent trend toward closer cooperation, before holding the conference on Charter review. This delay would not only improve the chances of success of the conference but might also afford us an opportunity of seeing how an improvement in international relations would affect the implementation of our Charter. We might find that there is no reason for making great changes in its provisions.

"We also share the view expressed by the representative of the United Kingdom that it would be preferable to postpone the examination of Charter review prospects until the new members, the early admission of which it now seems to us possible to anticipate, have familiarized themselves with the operations of our organization and are in a position to make their own contribution to the task of revision which we can then undertake.

"In reconciling the more recent developments with its earlier assessment concerning the need for Charter review, the Canadian Government has reached the conclusion that the General Assembly should at this time take a decision in principle and in accordance with Article 109 of the Charter to hold a general conference. The time, place and other details of this meeting should, however, be the subject of a closer examination and depend to a large extent on the development of a suitable international atmosphere.

"The danger in holding the conference prematurely is not only that the conference itself might fail but that the present trend in international relations might be adversely affected. An acrimonious debate on certain issues, followed by a stalemate, might have harmful consequences for international relations generally and for our organization. We

MORE PLANES, MORE AIRPORTS: "The problems created by airports in relation to town planning will be far greater ten years from now than they are today and thinking should be given to the situation that will exist in 1965 or 1970," J.R. Baldwin, Deputy Minister of Transport, told a meeting of the Town Planning Institute of Canada recently.

The fantastic rate of aviation growth shows no sign of abating, and "this means larger planes and more planes, larger airports and more airports." Jet aircraft and helicopters are ushering in a new era, each introducing new concepts in air transportation, "such as midtown heliports," Mr. Baldwin added.

The outstanding features of airport location, he stated, are access to the community to be served, restricted use of land in the vicinity of the airport for safety measures, and the characteristic noisiness of airports.

City growth has brought many older airports close to residential suburbs so that building limitations are needed if the airport is to continue. "This problem we hope to avoid in the new airports but even at existing airports there is room for improved planning by local authorities," said Mr. Baldwin.

The Department of Transport has a planned programme of land acquisition designed to protect airport requirements in the future at a cost of several million dollars and is aimed particularly at Vancouver, Winnipeg, Toronto and Montreal, he stated. "In addition," he added, "we have embarked on zoning plans supplementing those of provinces and municipalities. They are in operation now at Montreal, Toronto and Vancouver. Federal zoning covers the effect which buildings may have on flying, while local responsibility relates to the effect of flying on the users of the buildings."

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NEW FRENCH AMBASSADOR: The Department of External Affairs announced on November 18 that His Excellency Francis Lacoste had presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of France to Canada. The ceremony took place at Government House.

The Secretary of State for External Affairs, Mr. L.B. Pearson, was in attendance on the Governor General on this occasion. The Chief of Protocol, Mr. E. D'Arcy McGreer, presented The Ambassador to the Governor General. The Ambassador was accompanied by Mr. Gaspard de Villelume, Counsellor; Colonel André Deperrois, Military Attaché; Mr. Raymond Treuil, Commercial Counsellor; Mr. Jean Mouton, Cultural Counsellor; and Mr. Fernand Rouillon, First Secretary. Mr. Lionel Massey, Secretary to the Governor General and Mr. J.F. Delaute, Secretary to the Governor General (Administrative), were also present.

RAILWAY RELICS RECOVERED: Construction men excavating for the St. Lawrence Seaway have uncovered remains of a project that opened an earlier era of transport in Canada -- the first railway.

Mud being bulldozed in a drained section of riverbed between Moffat's Island and the riverbank at the town of St. Lambert recently disclosed a number of timber beams and piles. Their location was on the site of a pier that once carried the pioneering Champlain and St. Lawrence Railroad, first link in a chain of routes that became the Canadian National system. The 16-mile railway was designed as a portage route to connect Montreal with steamers from New York on the Richelieu River.

The timbers, about half the length of telegraph poles, appear to be as sound as when they were first used 119 years ago. Long immersion in the water and mud has prevented any rot setting in.

The structure of which they once formed part spanned the shallow water at the southern side of the St. Lawrence, about 500 yards north of Victoria Bridge. It crossed tiny Moffat's Island and extended past it another 50 feet or so.

When the Grand Trunk Railway opened the first Victoria Bridge in 1859, the Champlain and St. Lawrence was diverted at St. Lambert to connect with the Grand Trunk line. Operation of the line to the pier was discontinued in 1866 and it was subsequently abandoned.

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CD TRAINING FOR PHARMACISTS: Twenty-five pharmaceutical representatives from across Canada have recommended that the colleges of pharmacy of this country adopt a uniform civil defence examination for the graduating pharmacist. This decision, among others, was made recently at the Canadian Civil Defence College, Arnprior, where the pharmacists were attending a five-day conference and discussing the results of a working party study at the same college in March of last year.

The pharmacists drafted a training programme to ensure a uniform approach to the qualifying of Canadian pharmacists in the duties of a health supplies officer in civil defence. In a national emergency, the pharmaceutical graduates decided, they could also make use of their training as assistant laboratory technicians, as technicians in emergency bleeding centres and as professional personnel in the treatment services.

All courses would include an indoctrination into civil defence, the overall organization of civil defence health services, the role of the pharmacist and the aspects of atomic, biological and chemical warfare. The main hope of the pharmacists is to interest every member of their profession in civil defence so that each will be prepared to assume a role as a health supplies officer and a trained technician.

JOINT PIPELINE PROJECT: Arrangements for building the Northern Ontario Section of the All-Canadian pipe line to carry gas from Alberta as far east as Montreal were announced on November 21 by the Right Honourable C.D. Howe, Minister of Trade and Commerce, on behalf of the Government of Canada.

The Government of Canada will recommend to Parliament the formation of a Crown Company to build and own a 675-mile section of the All-Canadian line between the Manitoba-Ontario boundary and Kapuskasing. This Northern Ontario Section will be leased to Trans-Canada Pipe Lines Limited in accordance with a contract signed November 21.

The Northern Ontario Section, estimated to cost \$117,633,000 initially, will be financed jointly by the Dominion and Ontario Governments. The Ontario legislature will be asked to approve participation by Ontario equal to one-third of the cost but not more than \$35 million. The Parliament of Canada will be asked to authorize the Government of Canada to subscribe the balance.

With this section arranged for, the underwriters are confident that Trans-Canada Pipe Lines can finance the construction of the remaining section of the All-Canadian line. Applications are now before the United States Federal Power Commission for permission to import gas into the United States from the Trans-Canada system near Emerson, Manitoba, and Niagara Falls, Ontario, and to enable Trans-Canada to import gas from the United States near Niagara Falls to develop Eastern markets, pending the arrival of Alberta gas via the All-Canadian line.

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DUTCH FIRM AT TRENTON: An old-established Dutch manufacturing firm, Glue and Gelatine Works of Delft, the Netherlands, will establish its first Canadian branch plant in Trenton, Ontario, Planning and Development Minister William M. Nickle announced recently. A 6½-acre site has been optioned and construction will begin in the spring on a factory having a floor area of 20,000 square feet, similar to one of the parent plants in Delft.

The new plant in Trenton will operate on three shifts and will produce edible and technical gelatin for use mainly by the food, photographic and pharmaceutical industries. Special machinery will be brought from Holland, but this will be completed with Canadian fittings. All employees, except the plant manager, who will come over from Delft, will be hired locally.

The Dutch firm of Glue and Gelatine Works has been established for over seventy years, and has been exporting gelatin for sale on the Canadian market for over thirty years. After the Trenton plant is in operation, customers in Canada will be supplied from the Canadian branch.

CHRISTMAS IN INDOCHINA: Santa Claus winged his way to the Far East earlier this month well laden with Christmas cheer for Canadian Armed Forces personnel serving in Indochina.

A Royal Canadian Air Force aircraft took off from Montreal for Saigon on November 25, loaded with parcel mail and Christmas fare for officers and men of the Military Component of the Canadian Delegation to the International Supervisory Commission. Each soldier's next-of-kin had been invited to send up to one 10-pound parcel.

The aircraft will return from Indochina on December 15, carrying parcels and mail back to Canada.

With refrigeration facilities practically non-existent, the provision of a proper Christmas menu for troops in Indochina has created quite a problem for Army catering authorities. This year's solution is pre-cooked canned turkeys and chickens, which will keep fresh for an indefinite period without refrigeration. In addition to fowl, the menu for Christmas will include cranberry sauce, tinned ham, plum pudding, fruit cocktail, coffee, nuts and candy. Packs of various sizes have been prepared so that each man will be assured of a complete Xmas dinner with all the trimmings even if serving in an isolated locality.

The aircraft also carried entertainment films and sports equipment supplied by Army welfare; current magazines and periodicals from the Canadian Legion; individual ditty bags donated by the Navy League of Canada, and a gift shipment of Canadian cigarettes from the Province of Ontario.

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SEA-FISH LANDINGS SMALLER: Landings of sea-fish were 15 per cent smaller and 24 per cent less valuable in September than in the corresponding month last year, the Dominion Bureau of Statistics reports in its monthly review. The September drop brought the landings in the January-September period 7 per cent and the value to 8 per cent below last year.

The Pacific Coast catch of sea-fish fell to 40,503,000 pounds in September from 49,977,000 and the value to \$4,591,000 from \$6,773,000. Cumulative landings declined to 287,024,000 pounds from 331,925,000 and the value to \$23,488,000 from \$27,951,000. Main decreases were in salmon, halibut and herring.

September catch on the Atlantic Coast dropped to 122,381,000 pounds from 140,665,000 a year ago and the value to \$4,202,000 from \$4,731,000. In the nine-month period the landings fell to 1,092,502,000 pounds from 1,151,924,000 and the value to \$41,961,000 from \$43,098,000. There was a sharp drop in landings of cod but an increase of herring.

Production of record players jumped to 115,550 last year from 75,507 in 1953.

PRESS TOLD OF PEARSON TOUR

NATO VALUE RE-STRESSED: On November 16, following his return from a lengthy tour that took him to the Soviet Union, India, Pakistan, Singapore and Egypt, the Secretary of State for External Affairs, Mr. Pearson, met members of the press in Ottawa to answer questions on a number of international problems he had studied during his travels. Concerning the failure of the recent Geneva Conference, Mr. Pearson declared: "I don't think because success was not achieved the process of negotiation is ended...The real test of the permanent value of the relaxation of tension which has occurred and the real test of the quality of the spirit of Geneva will be in what we are able to do in transferring this spirit into action."

"I think the negative results of the meeting of Foreign Ministers at Geneva," he went on, "will confirm the importance of keeping NATO strong and United. It was made clear to me in Moscow that one of the first objectives there is to weaken and break up NATO...He, (Mr. Khruschev) said the first thing Canada should do is get out of NATO..."

Questioned concerning the report of an impending trade agreement between Canada and the U.S.S.R., Mr. Pearson stated that, to obtain such an agreement, the Soviet Government "would have to make a definite commitment over a period of time in return for which all we could do is give them Most-Favoured-Nation treatment, such as we give many other coun-

tries." "There would," he added, "be no bargaining in this kind of negotiation over our list of shortages, or strategic list, or whatever you want to call it. When that list was changed it would be for reasons that would seem good to us..."

Discussing the Colombo Plan, Mr. Pearson said that Canadian policy was "not to divide assistance into technical and capital assistance, but to get a lump sum for both and spend it as advantageously as possible." No one yet knew how much it would cost Canada to provide India with an NRX atomic reactor. "I think," he said, "the first group of Canadian technicians will be leaving shortly to survey the site, etc., for the ... plant and in the light of their report it will be easier to make a close estimate of the cost."

Asked if Canada was providing arms to Israel or Egypt, the Minister replied: "...Our attitude is to do nothing that would disturb the military balance... We have had more requests from Israel than from others. We have to act on the basis of the best information we can get as to the present strength of the forces. For example, we have filled orders for replacement of arms which would definitely be defensive. I don't want to give the impression that we have been sending large quantities of arms, we haven't, and, in every case, only after discussion with friendly powers who have special responsibilities in that part of the world..."

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HOME LOANS UP: Mortgage loan advances for new residential construction last year rose by 30 per cent over the 1953 figure to establish an all-time high of \$670 million. In its annual review of Mortgage lending in Canada, Central Mortgage and Housing Corporation reports that this figure represented 55 per cent of the total of \$1,216 million spent on new housing in 1954. Owners' expenditures totalled \$527 million while \$19 million was supplied from other sources including government agencies.

While increased demand for mortgage money in 1954 was due largely to the more favourable lending terms of the new National Housing Act, the admittance of the chartered banks to mortgage lending under this legislation contributed to the easier supply of funds. As a result, approvals under the old and new Acts increased by 81 per cent over the 1953 figure to reach \$463 million. Although the chartered banks were active for only part of the year, National Housing Act loans from this source totalled \$162 million. Loans under the Acts by other lending institutions amounted to \$301 million in 1954 as compared with \$256 million in 1953.

During last year a total of 43,800 dwellings were financed with the assistance of joint and insured National Housing Act mortgage loans, a rise of more than 51 per cent over the 1953 figure. Joint loans were approved early in the year under the former Act for 7,100 dwellings while loans for 36,700 homes were approved under the scheme of insured loans introduced by the new Act. Fewer houses were built on direct government account, and with the termination of joint lending in March, and the increased supply of private mortgage funds from institutions, total government funds for house-building fell by 28 per cent to \$113 million.

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PORTUGUESE MINISTER TO VISIT: The Department of External Affairs announced recently that Dr. Paulo A.V. Cunha, Minister of Foreign Affairs of Portugal, will visit Ottawa on December 11 and 12.

Dr. Cunha will arrive in Ottawa from New York on December 11 and will spend two days in the capital before leaving for Paris on December 13.

A REVIEW OF THE UNITED NATIONS CHARTER

(Continued from p. 2)

therefore see great merit in assessing carefully all the circumstances and choosing the most appropriate time for holding the conference.

"For these reasons the Government of Canada has been pleased to join with other powers, representing a wide geographical distribution of opinion in this Assembly, in sponsoring the draft resolution to which I have referred. My delegation believes that this draft not only reflects the views of most delegates at this Assembly but represents a moderate, cautious and realistic approach to the question of Charter review. We earnestly hope that it will commend itself to a substantial majority of members."

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CLASSES FOR PROSPECTORS: The schedule for this year's series of free classes for prospectors has been drawn up by the Ontario Department of Mines. Dr. W.D. Harding, the Department's veteran geologist, who has been responsible for the classes for a great many years, has scheduled ten during the winter season.

These week-long courses have become a traditional service of the Mines Department and, since their inception in 1894, they have had a steadily growing influence in the discovery of Ontario's mineral deposits. Attendance figures from year to year have shown a constant upward trend. While, naturally, the nucleus of each class is made up of miners and prospectors living in the area, the attendance almost invariably is augmented by others who provide a pretty comprehensive cross-section of the population. Clergymen and school teachers, bank managers and grocers, housewives and students, are all represented.

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NHA LOANS INCREASE: Lending activity under the National Housing Act during the first nine months of 1955 exceeded the volume for the same period of 1954 by 45.3 per cent. Central Mortgage and Housing Corporation reported recently.

From January to the end of September, 1955, undertakings-to-insure were issued by the Corporation for 47,465 loans amounting to \$525,981,234 for 54,883 housing units. Loan approvals for the first three-quarters of last year numbered 32,659 for 42,088 units and an amount of \$379,632,589.

Preliminary figures for September show that 6,243 undertakings-to-insure, totalling \$66,-149,427, were issued for 6,744 units as compared with 4,730 undertakings for 5,479 units and an amount of \$51,935,094 in September 1954.

HOUSEHOLD CONVENiences SPREAD: The annual September survey of household facilities and equipment by the Dominion Bureau of Statistics -- findings of which were published on November 16, -- shows that the proportion of homes with modern conveniences increased again this year.

The sharpest increase in the last two years has been in the number of homes with television sets. At the end of September this year an estimated 1,496,000 or nearly 39 per cent had one as compared with less than 22 per cent a year earlier and only 10 per cent in 1953. Radio, however, has not been discarded. The proportion of households with one has remained at a record 96 per cent for the last three years. In fact, only 3 per cent of the homes with TV sets this September had no radio -- but 11 per cent had no telephone.

Even more important as an indicator of the steadily rising living standards of Canadians is the continued increase in the number of households with such basic facilities as water, light and central heating. Only 256,000 or 7 per cent did not have electricity this September. Since September 1953, the number with running water totalled 3,062,000, up to 79 per cent from 77 per cent, and the proportion heated by furnaces rose to 54 per cent from 51 per cent. Recent years have also seen a swing to oil, with 1,656,000 or 43 per cent of all households having it as the principal heating fuel this year versus 35 per cent in 1953. On the other hand, the proportion using coal or coke declined to 29 per cent from 36 per cent over the same period, and the proportion using wood to 20 per cent from 22 per cent. Gas and other fuels made up the difference.

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CANADIAN SCHOOL FOR KOREA: Canadian school children have financed the building of a new school which was opened last week-end in the war-devastated Korean port of Inchon.

The Unitarian Service Committee of Canada collected \$3,000.00 from school children in British Columbia to finance the building of the new school. Building materials worth \$1,-800.00, were contributed by AFAK (The American Armed Forces Assistance to Korea Organization). The Salvation Army purchased the site, and will provide the teaching staff and meet operating costs.

The new school seats 200 children, and has been designed for use as an adult community centre at night. Its value to the district cannot be calculated in dollars. Most of the people who live in the area are day laborers or unemployed whose many children are denied ordinary entrance into schools because of their extreme poverty. The new school will mean that many of these unfortunate children will now receive a free education, while their elders will have a place to meet in at night.



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ANOTHER LOOK AT THE SEAWAY

INCREASED TRAFFIC EXPECTED: Addressing members of the newly-formed Canadian Club of Prince Edward Island in Charlottetown on November 15, the Honourable George C. Marler, Minister of Transport, predicted that construction of the St. Lawrence Seaway would result in increased traffic with overseas countries. He said it was expected that "in the current year some 325 vessels and about 300,000 tons of general cargo will move from Chicago and other lake ports direct to Europe," and added that "this, perhaps, is small in relation to the whole, but I think that when the Seaway is opened and deep-water facilities are available there will be a further growth and that this traffic will become more significant."

Mr. Marler said that "the development of further port facilities in the Great Lakes is likely to be one of the consequences to follow the opening of the Seaway. The populous territory located in close proximity to the deep waterway, or having ready access to it, seems very likely to generate the kind of two-way traffic that promotes the movement of shipping." Warning that development on the Canadian side of the Seaway would not likely be as extensive as on the United States side owing to the disparity in population, Mr. Marler said "it is perhaps too early to predict with complete certainty what the pattern of development will be, but I am strongly of the opinion that whatever takes place will be to the advantage of our country."

Mr. Marler took the members of the Canadian Club on a descriptive tour from the head of the Lakes to Montreal, describing the drop in water levels in the different sections and work that was being done or had to be done to provide for the deep waterway system. "What perhaps is of the greatest significance," Mr. Marler said, "is that in the 110-mile stretch between Galop Island, in the International Rapids Section and Montreal, which marks the eastern limit of the Lachine section, there is a drop in level of 225 feet and some 5,000,000 horse-power of electric energy, of which less than one-third has so far been developed.

"The importance of this aspect must not be under-estimated because it is at least doubtful if it would have been possible to proceed with this immense project had the great industrial areas in close proximity to the International Rapids Section not needed additional electricity so urgently. You will therefore, appreciate that in the Seaway project we are concerned both with works for power and works for navigation."

Referring to the decision of both Canadian and United States governments to charge tolls on the St. Lawrence Seaway when completed, Mr. Marler said: "In these modern times when the imposition of tolls for the rather expensive highway and bridge facilities that are now being built by governments or other private

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ANOTHER LOOK AT THE SEAWAY

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authorities in Canada or the United States has become so general it is not surprising that our legislators believed that the new facilities should be self-liquidating, though the tolls are to be fair and reasonable."

Mr. Marler estimated, based on figures obtained early in 1955, that the final cost of the St. Lawrence Seaway itself would be in the neighbourhood of \$285,000,000 of which Canada's share was to be approximately \$200,000,000. The total cost of the power project is estimated at \$600,000,000 to be shared equally by both countries. "I am sure you will agree that the dimension of our investment in this project would in these days entirely justify the introduction of tolls for the new facilities."

Reviewing the grain trade, Mr. Marler pointed out that about 55 percent of the Canadian wheat crop reached the lakehead ports of Fort William and Port Arthur and were shipped down the Great Lakes route. A large part of this movement was carried across Lake Superior in lakers and other vessels and much of it discharged in ports of Lake Huron and of Georgian Bay. This is attributable in a large measure to the fact that the lakers cannot go further down the waterway than Prescott. "I cannot help thinking", said Mr. Marler, "that when it becomes possible for the lakers to go all the way to Montreal, they will carry a much larger part of the traffic."

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MONUMENT AT HISTORIC PLANT: A modern industrial plant has been recognized as a site of historic significance for the first time by the Historic Sites and Monuments Board of Canada.

On the board's recommendation, the Department of Northern Affairs and National Resources has erected a cut-stone monument at the large smelter of the Consolidated Mining and Smelting Company of Canada, Limited, at Trail, British Columbia. The smelter is considered of national historic importance because it is the largest plant of its type in Canada and one of the world's leading smelters.

The monument was unveiled on November 19 by Dr. Walter N. Sage of Vancouver, British Columbia, member of the Historic Sites and Monuments Board. Chairman of the unveiling ceremony was Dr. Charles H. Wright of the Consolidated Mining and Smelting Company of Canada and J.A. Byrne of Kimberley, M.P. for Kootenay East, represented the Minister of Northern Affairs and National Resources. Brief addresses were given by Mayor E.J. Fletcher, of Trail; R.D. Berry, of the Consolidated Mining and Smelting Company; Hon. R.E. Sommers, British Columbia Minister of Lands and Forests and Minister of Mines; and H.W. Herridge, M.P. for Kootenay West.

The plaque on the monument reads: "This plaque stands as a memorial to the tireless and successful research of engineers metallurgists, and chemists resulting in the commercial development of important mineral resources of Canada. Here, in 1895, was built a smelter to treat ores from the nearby gold-copper mines of Rossland. With the successful development of new processes for treating complex ores, particularly those from the Sullivan Mine at Kimberley, the centre became one of the world's great sources of lead, zinc, and silver, and later of chemical fertilizers."

The company is the largest lead and zinc producer in the British Commonwealth. From its Trail smelter, once the largest non-ferrous smelter in the Commonwealth, comes about eight per cent each of the world's lead and zinc requirements, half Canada's silver, and gold, cadmium, and bismuth. The company also operates large chemical plants at Warfield, British Columbia, and Calgary, Alberta, where chemical fertilizers are produced.

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FRANCE DECORATES RCAF MEMBER: An RCAF Corporal received the French Military Medal during Remembrance Day ceremonies held at the RCAF's No. 1 Fighter Wing at Marville, France, Air Division officials announced on November 14.

Corporal Jacques Prior of Preston, Ontario, was presented with the French honour by Capt. M. Cheval, French liaison officer at the Canadian air base.

Mentioned four times in dispatches for his work as a lead navigator with the "Lorraine" group, based in Great Britain, Corporal Prior flew more than four years with his squadron.

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SENIOR SOLDIER TOURS CANADA: Major-General C.L. Firbank, Director of Infantry for the British Army, arrived in Canada on November 15 for a nine-day tour of military installations in Ontario and Quebec.

He spent his first two days in Canada visiting infantry units and the Canadian Armament Research and Development Establishment in Quebec City.

He arrived in Ottawa on November 18, where he toured Army Headquarters and conferred with senior Army officers. On November 20 General Firbank went to Toronto, and the following day he visited the Royal Canadian School of Infantry at Camp Borden.

His Canadian tour concluded with a visit to Hamilton on November 23, where he was the guest of the Royal Hamilton Light Infantry (Militia). General Firbank was commissioned with The Somerset Light Infantry, with which the RHLI is allied.

RAILROADING IN CANADA

A BIG FUTURE: "One of the things that have struck me most favourably during the very short time in which I have been Minister of Transport is that despite the apparent halt in railroad-building, railroading in Canada has in some instances just begun," the Honourable George C. Marler told the Railroad Club of Montreal on November 14. To an enthusiastic audience of railway executives and representatives of firms associated with railroading, Mr. Marler declared his confidence in the future of railways with a humorously-worded recipe: "Let us maintain our enthusiasm, compound it with optimism, add to it a generous mixture of faith and confidence. Blend with sound commonsense and go on to even greater railroading than we have already known."

Railroaders were in a sense reliving the pioneer days of their forefathers in carrying out the work "both present and future, of tapping our mineral resources in the north," according to Mr. Marler. "In this connection such railway projects as the line from Seven Islands to Knob Lake, from Sherridon to Lynn Lake, from Terrace to Kitimat, the two lines into Lake Manitouwadge and the Beattyville - Chibougamau - St. Felicien projects come to mind, and it is significant that these represent an addition of approximately 1,000 miles to our existing mileage."

These projects were undertaken, the Minister said, "after mature, considered reflection and after the economics had been examined with the greatest of care." He added that "our railroad men of today have profited from the experience of the past and they know that railroad policy must be basically sound and that the prospects, present and future, of sufficient traffic are the determining factor in the building of new lines."

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RARE BIRDS MIGRATE: The Canadian Wildlife Service received word last week that 28 cranes -- ten more than were known to have taken off from Wood Buffalo National Park in the Northwest Territories this fall -- had reached the Aransas National Wildlife Refuge in Texas safely. Two sets of twins were among the families this year, the first time since 1939-40 that a double set of twins has survived the hazardous 3,000-mile journey. Last year no youngsters survived it at all. The total number of birds to reach Texas this year is seven more than in 1954.

Behind this modest progress lies a summer of painstaking observation by air and ground in parts of the 17,300 square miles of wilderness that comprise Canada's most northern national park. W.A. Fuller, Canadian Wildlife Service mammalogist, permanently stationed at Fort Smith, had a watching brief over the

Canada's railroad history "holds many lessons for us," Mr. Marler told the gathering. "It shows what may be the consequences of over-extension but above all it shows that our forefathers in the railroad business had great faith in the future of our country. I think that the events of recent years have demonstrated that their faith was well-founded and their confidence in Canada's future not displaced. Let us therefore, profit from our railroad history."

In a humorous outline of some of the early problems of railroading in Canada, Mr. Marler told the assembled railwaymen that those were "real problems which you gentlemen now seem to take for granted." He told them they did not have to worry about "whether the railroad will be there when you go to work tomorrow morning," nor did they find it necessary "to puzzle over the problem of whether or not steam can be maintained in your locomotives in January and February, or whether or not your new track ought to be built on elevated platforms so as to be clear of winter's snow; and none of you looks as if he were losing sleep, as they did in the 1830's, over the difficult question of whether a locomotive could proceed up an incline without cogged wheels."

Other early problems recalled by Mr. Marler included the question as to whether a railway line should be built of iron or wood and also whether the gauge of Canadian railway lines should be 5 feet 6 inches, 3 feet 6 inches or 4 feet 8 and one half inches. Canada had finally adopted the standard gauge of 4 feet 8 and one half inches but Mr. Marler pointed out that "it was only at the last session of Parliament that the provision originally voted in 1852 stipulating that the gauge of the Grand Trunk Railway should be 5 feet 6 inches was finally repealed."

cranes added to his many other duties. He kept the nesting grounds under periodic observation from the air for a period spanning 116 days. A party composed of representatives of the U.S. Fish and Wildlife Service and the National Audubon Society spent a month conducting ground surveys. R.P. Allen, who has spent years searching for the breeding grounds of the elusive cranes and is the world's leading authority on them, was a member of the party.

The adult whooper, with its white body, black wing tips, scarlet face patch and 7-foot wing-spread, is a magnificent bird in flight and distinctive in appearance. But the rusty-brown young have no such protection and have fallen easy prey to the sportsman's rifle. Young whoopers can, and have, been mistaken for other species such as the sandhill crane, one reason why their mortality rate has been high.

NEW RCAF PHOTO SERVICE: Air Force Headquarters recently announced the formation of a new unit at the RCAF Station, Rockcliffe, near Ottawa.

Formerly known as the Photographic Interpretation Section, an important unit within 408 Photo Squadron based at Rockcliffe, the new unit has been reorganized and named the RCAF's Air Photographic Intelligence Centre.

The main purpose of the centre will be to provide photo interpretation of aerial photographs for use by Canada's Mobile Strike Force, as well as 408 Squadron engaged in aerial mapping of Canada. In addition, the establishment will be responsible for interpretation of all aerial reconnaissance photographs, and will prepare mosaic photographs and photographic maps for use by the RCAF.

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LOW RENTAL NEWFOUNDLAND HOUSING PROJECT: A redevelopment project designed for the dual purpose of improving traffic facilities in the centre of the city and providing low-rental housing accommodation is to be undertaken shortly in St. John's, Newfoundland.

Details of the joint Federal-Provincial development, to cost upwards of \$500,000, were released jointly recently by Public Works Minister Robert Winters and the Honourable S.J. Hefferton, provincial Minister of Municipal Affairs.

Average monthly rental of the units will be about \$50, requiring a monthly subsidy of \$25 a unit, which will be shared by the Federal and Provincial Governments, 75 per cent and 25 per cent respectively.

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CANADIANS AT PAN-PACIFIC JAMBOREE: An unusual opportunity awaits eight Canadian Scouts. They are being offered a trip to Australia to attend the Pan-Pacific Scout Jamboree at Melbourne from December 28 to January 9.

Fred J. Finlay, Chief Executive Commissioner at Canadian Scout Headquarters, Ottawa, announces that, through the co-operation of Canadian Pacific Airlines, which is contributing an amount equal to fifty per cent of the air fare, and the Canadian Australian Association, which is giving \$200 to each participating Canadian Scout, the boys can make the round trip from Vancouver to Melbourne and back for \$360.

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WHEAT SUPPLIES LARGER: Visible supplies of Canadian wheat in store or in transit in North America on October 26 amounted to 369,-385,000 bushels, an increase of 12 per cent from last year's corresponding total of 329,-547,000. Prairie farm deliveries of wheat dropped to 4,020,000 bushels during the week ending October 26 from 10,784,000 a year ago and the overseas export clearances dropped to 2,510,000 bushels from 5,796,000.

INDUSTRIAL EMPLOYMENT, PAYROLLS PEAK: Industrial employment and payrolls reached all-time high levels at the beginning of September, advance figures published by the Dominion Bureau of Statistics reveal. The general industrial employment index, on the 1949 base, stood at 118.1 versus 116.1 a month earlier and 112.9 a year ago, and that for payrolls at 168.7 versus 166.0 at the beginning of August and 155.5 last year. Weekly wages and salaries averaged \$61.10, down 3 cents from August 1 but considerably above the \$58.93 for September last year, previously an all-time high for the season.

There were advances in employment over August 1 in all provinces except Newfoundland, where a reduction of 1.9 per cent was reported. The gains in Quebec, Ontario and British Columbia amounted to 2.1 per cent, 1.4 per cent and 3.2 percent, respectively. The largest increase, relatively, was that of 4.2 per cent in New Brunswick. Except in Saskatchewan, the latest provincial index numbers of employment were equal to or higher than those recorded at September 1, 1954. The falling-off in Saskatchewan in the 12 months was slight.

There was improvement in manufacturing in all provinces at the beginning of September as compared with August 1. The general trend of employment in non-manufacturing industries was also favourable, although most of these industrial divisions showed declines in some provinces.

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RECORD HIGH IN PASSENGER CARS: Canadians spent \$64,376,000 for the purchase of new passenger cars in September--the highest total ever recorded for the month. The closest approach to this large total was in September 1950, when the aggregate was \$60,049,000. Last year's September total was \$58,609,000. The number of new passenger cars sold in September was 24,906, as compared with 23,216 a year ago and 28,216 in September 1950.

The jump in September boosted passenger car sales in the January-September period to 313,-399 units valued at \$814,993,000, as compared with 258,793 units sold for \$663,450,000 in same 1954 period.

Used car financing rose to 35,941 units in September from 31,347 and involved \$28,858,000 versus \$25,478,000. In the January-September period 321,342 units were financed for \$264,-749,000 versus 307,384 involving \$256,811,000.

* * *

SHARETT TO VISIT CANADA: The Department of External Affairs announced on November 12 that Mr. Moshe Sharett, Foreign Minister of Israel, had accepted an invitation by the Canadian Government to visit Canada. He will arrive in Montreal on Wednesday, November 30, and continue on to Ottawa on December 1, returning the following day to Israel.



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DEPARTMENT OF EXTERNAL AFFAIRS

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NORTH AMERICA'S INTEGRATED RADAR WARNING SYSTEM

DEFENCE IN DEPTH: Addressing the Royal Canadian Army Pay Corps Association in Ottawa on November 4, the Minister of National Defence, Mr. Ralph Campney, discussed the quadruple radar defences of the North American continent for which Canada and the United States are jointly responsible. The speech, which follows in part, described the Mid-Canada Line in detail:

"...The four main elements in the integrated continental air defence system of North America are:

"First, the Pinetree system, which ties in to the Canadian and United States air-defence commands a basic radar warning and control system and, through extensive communication networks, links up the Canadian and United States air interceptor forces.

"Second, the Mid-Canada Line, an early warning line supplementing the Pinetree radar system.

"Third, the Distant Early Warning or DEW line across the most northerly practicable part of North America.

"Fourth, extensions down both flanks of the continent to prevent outflanking of the trans-continental network by hostile aircraft....

"Of the four elements which I mentioned a moment ago, construction of the Pinetree radar system was tackled first. Part of it was constructed by Canada and part by the United States. In October, 1953, when the Pinetree system was becoming operational, a group of Canada-United States scientists and military

advisers recommended that additional early warning capacity should be provided. After further consideration by the Chiefs of Staff of both countries, recommendations were made which led to the acceptance by Canada of the responsibility for financing, constructing and operating the Mid-Canada line, while the United States undertook to construct the DEW line, with Canada contributing such resources and assistance as could be made available. The United States also became responsible for the seaward extension down each flank of the continent.

"Actually, as the work on the DEW line goes ahead, we have found that we could help out in many practical ways. Valuable assistance has been given to United States authorities by aircraft and ships of the RCAF and RCN respectively and the Canadian Army, too, has helped out, especially through our base at Churchill, Manitoba. The Departments of Northern Affairs and National Resources and Transport have also assisted and, as you know, Canadian civilian air operators, contractors and industry generally have undertaken a good deal of the work in connection with specific DEW line sites.

"Coming now to the Mid-Canada line itself, this line is being constructed, as I have said, roughly along the 55th Parallel and is, as you may imagine, a job of magnitude, fraught with great difficulties and new problems and accompanied by a good deal of hardship and discomfort.

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"..For reasons of national and NATO security, it will still be a good while before the full construction story of these lines can be unfolded in all their gripping, challenging detail of risk, improvisation and achievement.

"It is, however, already clear that these two extensive achievements--as construction feats alone--will have an impact on the development of the Canadian North commensurate with that which the building of our transcontinental railway lines at the turn of the century had on the opening up of our Canadian West.

"In establishing these protective and early warning lines to meet the threat of thermonuclear war, we are rolling back the map of Canada more rapidly and to a far greater degree than our people realize. We are pioneering the unknown. We are opening up the Canadian North.

"As the job progresses, many of the unknowns which made the sub-Arctic so forbidding to all but the most venturesome are being steadily dispelled. The techniques required for successful living and working in the sub-Arctic are becoming known to more and more Canadians and gradually the North is yielding its air of mystery and haunting fear.

SIZE OF TASK

"An approximate idea of the scope of the job may be formed from the fact that early this year it was estimated that about \$170 million would be required to provide the basic elements for getting the line into operation. That is enough money to build brand new modern housing along one side of a street well over 100 miles long. Over 1200 men were at work on the line soon after it started; and, as the project goes forward, thousands of others are being employed across the country in workshops and in industrial and electronic plants.

"Technically the Mid-Canada line consists of a series of unit detection and warning stations with main stations at appropriate intervals extending from the Labrador coast westward.

"The unit detection stations will use equipment originally devised by a research team sponsored jointly by the Defence Research Board and McGill University--hence the term sometimes used to describe it--"McGill Fence". This equipment is of an advance type and, in addition to its demonstrated performance, requires a minimum of attention and is much less expensive than previously known types.

"A typical main station will consist of an administrative and operation building, personnel accommodation buildings, supply buildings, boiler and power plants, provision for inflammable stores, a garage and a hangar. All stations will have landing facilities for helicopters. Main stations will have special functions in relation to adjacent sections of the line, both as regards personnel and maintenance.

Throughout the full extent of the line a multi-channel communications network is being built and appropriate air-ground communication facilities are being provided....

"Aircraft of the RCAF's No. 408 Photographic Squadron, with some assistance from civilian operators, carried out nearly 8,000 miles of aerial photography and the photographing and mapping facilities of the RCAF and the Canadian Army Survey Branch were extensively used in planning the basic route of the line.

"While all this was going on, the Department of Defence Production was studying the best means of constructing the line speedily and efficiently. In view of the nature of the project it was decided to utilize the resources of the Trans-Canada Telephone System to manage all phases of the construction operation. Trans-Canada designated the Bell Telephone Company of Canada to act as management contractor for them and a special project division of Bell was formed to actually, carry out the task.

FEDERAL AGENCIES INVOLVED

"The fullest possible use was made of existing government agencies: Defence Research Board during initial development; Department of Defence Production for procurement of equipment; the inspection services of the Department of National Defence for carrying out tests and inspections of equipment; Defence Construction Limited for the placing and overseeing of all construction contracts and representatives of the chief treasurer's office of the Department of Finance for checking all accounts on a continuing basis. All these agencies and branches of government worked closely together, each in its respective field, and provided a degree of teamwork that deserves high commendation.

"In addition, assistance was provided by the Department of Northern Affairs and National Resources and by the Department of Transport especially as regards movement of materials by water in the Hudson's Bay area.

"Invaluable co-operation has also been extended by all provincial governments....

"On the construction side, Defence Construction Limited is responsible, working in conjunction with the management contractor, for letting regional contracts to major contracting firms across Canada. These regional contractors in turn employ sub-contractors to carry out the bulk of the actual construction. Defence Construction Limited and the management contractor also provide the technical staff for direct on-site supervision and installation of special equipment.

"Through the Department of Defence Production, contracts, frequently running into millions, are being awarded to all branches of Canadian electrical and electronic industry and to industries supplying building materials. I might note here that in many instances such contracts are concurrent with similar commit-

ATLANTIC PROVINCES MANUFACTURES: Gross factory value of products shipped by the manufacturing industries of the Atlantic Provinces showed a small decline in 1953 to \$745,486,000 from \$748,130,000 in the preceding year, Dominion Bureau of Statistics reports. The number of establishments rose to 3,840 from 3,782. Their employees fell to 68,895 from 69,720, but salary and wage payments rose to \$165,845,000 from \$159,263,000. Material costs were slightly lower at \$406,-277,000 versus \$409,166,000.

Nova Scotia was the leading manufacturing province in the area in 1953 with shipments valued at \$320,012,000 versus \$326,840,000 in the preceding year. New Brunswick followed with \$295,750,000 versus \$293,760,000, Newfoundland next with \$106,525,000 versus \$105,460,000, and Prince Edward Island \$23,199,000 versus \$22,070,000.

Nova Scotia is renowned for its coal mines and its fisheries as well as extensive forests and agricultural lands and is favoured with easy access by sea to the high-grade iron ore supply of Newfoundland. On these resources are based the leading manufactures of fish processing, primary iron and steel, railway rolling-stock, sawmills, pulp and paper, shipbuilding and repairs, and butter and cheese. In addition, important petroleum refineries, cotton yarn and cloth, and coke and gas plants add to the diversification of the manufacturers in the provinces.

The forests of New Brunswick give a leading place to its pulp and paper and sawmilling industries. Other important manufacturing and processing is based on fish and agricultural resources. In Newfoundland, manufacturing production is dominated by the forest and fisheries resources. Pulp and paper and fish processing together account for 68 per-cent of the value of the provinces total output. In Prince Edward Island, agriculture and fishing resources make butter and cheese, fish processing, and prepared stock and poultry feeds the leading industries.

* * *

DIRECT WEATHER REPORTS: All radio broadcasting stations may now arrange to receive direct weather broadcasts from Department of Transport public weather stations under a new policy announced recently by Transport Minister George C. Marler. Where previously a few radio stations had benefited from such a service, they will now share such broadcasts with others. As of November 15th all radio stations who so desire will be able to receive a simultaneous broadcast from their local forecast offices. Weather broadcasts would, of course, he said, have to be free of sponsorship or commercial advertisement.

ABSENTEES LOSE ALLOWANCES: Failure of some Family Allowances and Old Age Security recipients to notify federal authorities when they absent themselves from Canada is causing official headaches and serious difficulties for the payees, according to the Department of National Health and Welfare, which administers these welfare benefits.

Allowances and pensions are not payable outside of Canada and failure to advise the department when they are going abroad has resulted in trouble for many families and pensioners.

Under the law, it is necessary for recipients of these cheques to give notice of their departure and their return when they go abroad. About half of such payees fail to give the required notice and the department is, of necessity, demanding retroactive repayment of cheques. It takes time to discover such absences, although they eventually come to official notice, so it may be a matter of many months before people are asked to pay back money which they possibly have spent long since.

* * *

MORE COLOMBO AID FOR INDIA: Canada is to provide aid to India under the Colombo Plan for three new projects, it was announced recently. These include diesel generating-sets for supplying power to rural areas in India, an aerial-magnetometer survey to survey mineral resources - particularly petroleum in Rajasthan - and two Beaver aircraft to be used for aerial spraying of insecticides to control pests injurious to crops.

The Canadian Government has allocated \$3 million for the diesel generating-sets, \$150,000 - including \$25,000 from counterpart funds - for the aerial-magnetometer survey, and \$160,000 for the Beaver aircraft.

The cost of the generating-sets will be met from funds available from previous years and the aerial-magnetometer survey and the Beaver aircraft projects will be financed out of funds available to India for 1955-56. The generating-sets and Beaver aircraft will be manufactured in Canada. The aerial-magnetometer survey will be carried out by a Canadian company.

Negotiations have been taking place between the Canadian Government and the Indian Government concerning other projects which may be suitable for inclusion in the Canadian aid programme for the current fiscal year.

* * *

COPPER AND NICKEL INCREASE: Production of both copper and nickel was larger in August and the first eight months this year than last, the Dominion Bureau of Statistics reports. The month's output of copper amounted to 27,844 tons versus 26,812 a year ago, bringing the January-August total to 211,046 tons versus 197,670. Nickel production amounted to 15,027 tons in August versus 13,428 and to 118,059 tons in the eight months versus 104,329.

FLOOD RELIEF FOR INDIA AND PAKISTAN: The Department of External Affairs announced on November 5 that the Government of Canada would make a contribution of \$50,000 to India and \$50,000 to Pakistan for relief assistance to those countries which have suffered distress from recent floods.

This relief assistance will take the form of drugs, medicinal supplies and other emergency materials. The responsibility for purchase, the consignment and distribution of these supplies will be undertaken by the Canadian Red Cross Society in co-operation with local Red Cross agencies in the recipient countries.

Large areas of India and Pakistan were inundated as a result of recent torrential rains. Tens of thousands of acres have been flooded, numerous villages damaged and thousands of people made homeless. There is a fear of epidemics and it is hoped that this contribution will help to allay such danger.

* * * *

SECURITY PRICE INDEXES LOWER: The composite investors' index for 99 common stocks dropped from 252.8 to 239.6 between September 29 and October 27, a loss of 5.2 per cent. This decline cancelled all gains accumulated since the end of June. Among group indexes, 78 industrials fell 5.8 per cent from 263.3 to 248.1 and 14 utilities 4.4 per cent from 208.5 to 199.3, while 7 banks registered a smaller loss of 1.2 per cent as the index changed from 249.8 to 246.9. Sub-group indexes were all lower, with the greatest losses being registered for milling shares, down 13 per cent, machinery and equipment 8.1 per cent, building materials 7.9 per cent, industrial mines 7.3 per cent, and power and traction 7.1 per cent.

Mining issues also declined, the composite index for 27 representative issues recording a drop of 6.4 per cent from 124.7 to 116.7. The index for 5 base metals dropped 7.6 per cent from 242.7 to 224.2, while the change in the gold series of 4.6 per cent from 73.2 to 69.8 brought this series to its lowest level since the week of April 7.

* * * *

NATURAL INCREASES IN POPULATION: Almost 311,000 persons were added to Canada's population in 1954 by natural increase (the excess of births over deaths). With the high birth rates and drastic reductions in the death rates during recent years, the numbers added to the population each year have increased steadily since 1937 and is now almost 3 times the 109,784 added to the population 17 years ago. Over 5,825,000 persons have been added to the population by natural increase since 1921.

FIVE-DAY WEEK: Continuance of a trend toward the common use of the 5-day week in Canadian manufacturing industries was noted recently by the Honourable Milton F. Gregg, Minister of Labour.

His information was based on a survey of working conditions among plant employees in manufacturing conducted by the Labour Department's Economics and Research Branch last April. This annual survey covers an average of 6,500 manufacturing establishments, most of which have 15 or more employees. In the April 1955 survey, the reporting plants together employed 765,000 non-office employees, which, with 196,000 office employees, represents almost 75 per cent of all plant employees in manufacturing in Canada. The October issue of the Labour Gazette carries further details.

The survey revealed that almost 58 per cent of non-office employees in Canadian manufacturing were on a weekly schedule of 40 hours or less in 1955, as compared with 53 per cent in 1954. This upward increase in percentage was largely due to changes from weekly schedules of between 41 and 45 hours to a 40-hour week.

The study showed that 56 per cent of the plant workers covered by the survey were employed in plants where eight paid statutory holidays were provided each year. In 1954 the corresponding figure was 52 per cent.

* * * *

CANADA'S UNRWA CONTRIBUTION: The Department of External Affairs announced recently a Canadian contribution, subject to parliamentary approval, of \$500,000 to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) for the year July 1955 to June 1956. Of this sum, \$300,000 will be contributed in the form of wheat.

UNRWA was established by the General Assembly in 1949 to provide for the relief and resettlement of some 850,000 Palestinian Arabs rendered homeless as a result of hostilities in Palestine in 1948. In addition to its annual relief budget of approximately \$25,000,000, the Agency has a \$200 million long-range programme for the resettlement of these refugees. Last year the Assembly extended the mandate of the Agency for five years, ending June 30, 1960. The Canadian Government is the fourth largest contributor to UNRWA among non-Arab states, its past contributions totalling approximately \$4 million (U.S.).

244 locomotives, worth \$41,105,000, were shipped from Canadian factories last year, a decrease from 260 worth \$42,259,233 shipped in 1953.

CANADA'S 1956 REFUGEE AID: Subject to parliamentary approval, the Canadian Government plans to contribute \$125,000 to the United Nations Refugee Fund for the 1956 programme of the U.N. High Commissioner for Refugees. The announcement was made on November 3 at a meeting of the Negotiating Committee for Extra-Budgetary Funds which took place at the United Nations Headquarters in New York today.

At its Ninth Session in 1954, the General Assembly gave its approval to a four-year programme submitted by the High Commissioner for Refugees designed to achieve a permanent solution to the problems of refugees under his mandate. It is being undertaken from 1955 to 1958 and \$16,000,000 has been approved as its total target figure. The main portion of these funds will be used to finance projects dealing with the integration of refugees in their present countries of residence while a smaller sum will be used for continued emergency aid. The target figure for 1955 was set at \$4.2 million dollars and the target figure for 1956 has been tentatively set at \$4.4 million dollars.

To date Canada has contributed \$275,000 to the work of the High Commissioner for the commitment for 1956 will raise this figure to a total of \$400,000. In addition, prior to the establishment of the United Nations Refugee Fund, Canada contributed \$18,000,000 to the International Refugee Organization during its operations between 1948 and 1952.

* * * *

MOVIE RECEIPTS DOWN: Fewer Canadians went to the movies last year and receipts of motion picture exhibitors dropped for the first time in more than two decades. The Dominion Bureau of Statistics reported recently that motion pictures were shown in 3,471 theatres, drive-ins and halls in 1954, some 83 less than in 1953; that paid admissions numbered 237,264, -894, a drop of 8.5% from 259,346,837; that receipts totalled \$105,515,563, off 3.3% from \$109,072,528; and that amusement taxes collected amounted to \$12,973,256, a drop from \$13,582,540.

Lone exception to the fall-off in attendance was the "drive-in" theatre. There were 230 of these operating last year, 56 more than in 1953 and the seventh increase in a row (there were only 15 in 1947, when statistics on these were first compiled). Their paid admissions rose to 12,380,246 from 11,134,788, receipts to \$6,316,947 from \$5,862,920, and amusement taxes to \$721,630 from \$685,389.

Regular theatres increased by 32 to 1,938 last year, but paid admissions dropped to 218,508,653 from 241,182,726, receipts to \$97,012,140 from \$100,889,361, and amusement taxes to \$12,098,922 from \$12,760,235. The number of theatres was unchanged or increased in all provinces except Ontario and New Brunswick, where there were decreases of 15 and 1 respectively.

MEDICAL SUPPLIES PROGRAMME: A conference of pharmacists was held at the Canadian Civil Defence College, Arnprior, from November 14 to 18 to discuss the stockpiling of essential medical supplies and related problems.

In March 1955 a working party was convened by the Civil Defence Health Services authorities at Ottawa for the purpose of making an initial study of the overall medical supplies program. Also considered at this time were the roles of pharmacists in disaster conditions and the special training they would require.

November conference checked the work that had already been done and reviewed the general thinking on the subject. Main objectives of this conference were to review in detail the material which had been drafted respecting procedures involved in the supplies programme; to consider and recommend the method of distribution and to discuss the question of graduate and under-graduate training of pharmacists.

Twenty-five pharmacists, from all provinces of Canada attended this second working party of the Pharmaceutical Service for the Federal Civil Defence Health Services at the college. Included in this group were several members of the original working party, a number of pharmacists who attended a course at the college in the latter part of May and several senior professors from Faculties of Pharmacy and Registrars of Provincial Pharmaceutical Associations.

* * * *

NEWFOUNDLAND FILM STUDIED IN U.S.: The Northwest Air Command of the United States Air Forces plans to use the Canadian National Railway film "The Big Island" to tell officers and airmen and their families who are shortly to be posted to Newfoundland something about their new temporary home.

Major Leonard Keller, who directs the Air Force "orientation" programme, describes "the Big Island" as "one of the best films ever viewed on Newfoundland..."

"The Big Island" is a sound and colour documentary depicting the everyday life of the hardy, independent folk who inhabit Canada's tenth province.

* * * *

MORE NATO EQUIPMENT SHIPPED: Eight European countries will receive Canadian Army supplies and equipment during the next few weeks in continuation of Canada's programme of mutual aid to member nations of NATO.

From the Port of Montreal wireless sets will be shipped to Greece, and trucks, vehicle kits and spare parts and wireless sets to Turkey.

Norway will receive field artillery tractor spare parts; Denmark three-ton trucks and kits; Italy trailers and spare parts; Portugal truck spare parts; France trucks, vehicle kits and spare parts, and Luxembourg truck spare parts. All these will be shipped from Hamilton, Ontario.

ments to United States authorities in connection with their DEW line requirements. In the interests of economy and effectiveness the two countries are working closely together in that regard.

"The responsibility for maintaining the many and varied phases of the line and co-ordinating it with the operation of the DEW line lies, of course, with the Department of National Defence and particularly the Royal Canadian Air Force under whose jurisdiction the Mid-Canada line will be operated as an integral part of the air defence of the North American continent.

"Construction of the Mid-Canada line involves many difficulties....

"In the Hudson's Bay and James Bay areas the railways to Fort Churchill and Moosonee are... available as is water transport during the limited summer season. However, in much of this region muskeg abounds and the only practicable means of transportation--particularly for large amounts of heavy construction materials--is by tractor train during the winter months. A tractor train usually consists of one or two heavy caterpillar diesel tractors pulling up to twelve large sleds, called "wannigans".

TOUGHEST TERRAIN

"The most difficult type of terrain from the point of view of transportation is, of course the rugged deeply crevassed Quebec-Labrador area. Much of this area can be served only by air as other means would take much too long and would eventually probably cost a good deal more....

"The question of building foundations in the north presents many problems. In some areas ideal bases for buildings are provided by solid plateaus of ancient rock of the pre-Cambrian age.... But in other areas, where the top soil is deep and is subject to intense freeze-up and prolonged thawing, ordinary foundation construction procedure would be entirely ineffective. In such areas it has been found that pile construction must be used. The piles are sunk in holes made deep into the permafrost by high pressure steam jets.... Some of the construction obstacles are less technical. At one of the locations in the Hudson's Bay region last August a field party found so many polar bears occupying the site that work could not be safely undertaken and had to be postponed for a time....

"One of the matters in connection with the Mid-Canada line still under consideration is the level of medical and hospital facilities which will be available to personnel manning the line. Senior officials of our department are now conferring with officials of the Department of Health and Welfare on the prospect of constructing several hospitals at two sites in the Hudson's Bay region. If constructed, these hospitals will be so located as to provide services to Eskimo and Indian communities in the area as well as to Mid-Canada personnel...."

FEDERAL-ONTARIO REHAB PACT: Honourable M. F. Gregg, Minister of Labour, has announced that he has signed an agreement with the Province of Ontario, covering federal-provincial cooperation in the field of rehabilitation for disabled persons, and federal financial assistance toward the cost of the rehabilitation programme in Ontario.

* * * *

FISHERIES PRODUCTS ON DISPLAY: The largest Canadian fisheries display ever staged in New York, including the products of 40 firms, was opened formally at the Canadian Showroom, Rockefeller Center, November 10th by Mr. S. V. Allen, Canadian Consul and Senior Trade Commissioner. The show is scheduled to run until December 9. A cross-section of the more than 70 varieties of Canadian fish and shellfish available to consumers in canned, smoked, fresh and frozen, pickled, and dried forms will be displayed by Canadian producers and packers from coast-to-coast. Among the principal species are salmon, lobster, cod, haddock, halibut, whitefish, lake trout, pike pickerel, herring, sardines, clams, mackerel, and oysters. A feature of the fisheries exhibit the special frozen food refrigerated units

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WHOLESALE PRICE INDEX UP: Canada's general wholesale price index advanced 0.6 per cent to 220.9 from 219.6 between August and September, reflecting increases in seven of the eight component groups, the Dominion Bureau of Statistics recently reported.

Non-ferrous metals recorded the largest gain, moving up 4.9% to 198.0, due to large increases in copper and copper products accompanied by lesser increases in zinc, gold, antimony, silver and tin. In non-metallic minerals, increases in petroleum products, coal, coke, plate glass and sulphur outweighed small decreases in clay and allied products and asbestos products, to move the index up 0.9 per cent to 175.2.

Animal products as a group rose 0.7 per cent to 230.1, as increases in fishery products, cured meats, live stock, butter, lard, tallow eggs, hides and skins overbalanced decreases in fresh meats, fowl and raw furs. An increase of 0.3 per cent in iron and its products was caused by advances in the rolling-mill products, hardware and castings sub-groups.

Vegetable products, the only group to register a decline fell 0.5 per cent to 192.9. Decreases in potatoes, grains, vegetable oils, live stock and poultry feeds, onions, canned fruits, cocoa products and fresh imported fruits more than offset increases in rubber and its products, raw sugar, milled cereal foods, cocoa beans, coffee beans and miscellaneous vegetable products.



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DIRECTION OF THE CANADIAN ECONOMY TODAY

EFFECT OF U.S. PROXIMITY: Canada shared the 1953-54 recession with the United States said the Minister of Finance, Mr. Walter Harris, in a speech to the Canadian Club of New York on November 2 - "but with some interesting differences." Canada had almost completely escaped the "short and sharp" 1949 recession because that year it had been "at the beginning, or in the midst, of a number of major investment projects - oil development in Alberta, Kitimat on the Pacific coast, and Labrador iron ore..." The 1953-54 experience, however, "caught us at a point where oil development and expansion had levelled off... the first major phases of Kitimat and Labrador...had been completed and the two major oil pipe lines running east and west from Alberta had also been completed."

After observing of the second recession that Canada lagged "four to six months" behind its larger neighbour "both on the downturn and the upturn," Mr. Harris went on:

". . . On the other hand, the magnitude of the recession was somewhat less in Canada than in the United States. Your general index of production fell about 10 per cent. Ours on a comparable basis dropped about 7 per cent. Our rate of recovery, though it started later, has already caught up with yours, and we are now about 13 per cent above the recession lows and 7 per cent above the 1953 high points. I believe your current figures are 3 or 4 per cent above your previous high.

"This is not the occasion to explore in detail the bases of our great resilience. Two factors, however, can be mentioned; one, that we are going through a stage when the general trend of our rate of growth and expansion is somewhat greater than yours; another, that export trade overseas and especially with Europe plays a much larger role in our economy than in yours. And Europe, to the surprise of many people, has been almost completely unaffected by the North American recession....

"Government policy in Canada met the recession in a variety of ways. Our policies, on the whole, were neither novel nor dramatic. I have even heard them criticized as being orthodox and dull.

"We followed an easy money policy. Our 3-month Treasury Bill rate, which had been close to 2 per cent at the peak of 1953, dropped below 1 per cent in the first quarter of 1955. Five-year money fell from over 3½ per cent to below 2½ per cent and long-term rates from nearly 4 per cent to about 3½ per cent. With the rapid acceleration of activity during the past six months, we have applied the monetary brakes to the extent that seemed desirable and short-term funds are now back just over the 2 per cent level.

"Fiscal operations have also played their part. After 8 successive years of budgetary surpluses, we ran a deficit in 1954. It was not a large deficit, about \$150,000,000 or 3½ per cent of our total expenditures. We, never-

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theless, reduced some of our tax rates moderately for 1955. The tax structure we recommended to Parliament early this year was one which was designed to produce a balanced budget in a full year at high levels of activity. We have to prepare and deliver the budget at a time when evidence of accelerating recovery was not yet clear. We produced what I regarded as a conservatively optimistic and sensible budget. I forecast a deficit on this year's operations of about \$160 million. Events are turning out rather better than I expected and it now appears probable that the actual deficit for this fiscal year will be at least one-third less than I forecast.

"On the expenditure side of the budget we stepped up moderately the scale of government construction in 1954, and again for 1955. We also introduced new housing legislation with a system of insured mortgages open to our chartered banks as well as to other lending institutions. As a result, residential construction, instead of declining with general business activity, actually increased, and quite sharply. At the low point of the recession, new housing starts were running about 25 to 30 per cent higher than in the same period of 1953.

CREDIT WHERE DUE

"In Canada we have, like you, a free economy and I would not want to give all the credit to government policy in minimizing the effects of the recession - other factors and persons played their part: I would not wish to say that our measures and timing were always perfect, but I think I can fairly say that our governmental policies during this period were sensible and moved in the right directions.

"Our recovery from the pause of 1953-54 has been very rapid, but appears to be soundly based. Employment is expanding to new high levels. In the winter of 1954-55, when seasonal unemployment was at its peak, its level was such as to cause real concern. However, by May, the pick-up in construction brought about a rapid decline in the number of people without jobs and seeking work, and this improvement continued and broadened throughout the succeeding months.

"Exports and imports have both expanded during 1955 by more than 10 per cent - and we are still running a trade deficit with the United States of over \$600 million a year. Our increase in exports has been in the non-agricultural field, with the major gains in base metals, lumber, chemicals, iron ore, primary iron and steel and newsprint. Shipments of iron ore for the first eight months of 1955 were more than \$50 million compared with \$15 million for the same period of 1954....

"Wheat and wheat flour, our major agricultural export, is very slightly down from last year, a small increase in the value of wheat exports being a little more than offset by the decline in flour exports....

"The Canadian wheat producer is fully prepared to compete on equal terms in the world wheat market. He has confidence in the quality of his product and his technical efficiency in producing it. However, it is quite another thing to compete with wheat grown in other countries where it is heavily protected by either high tariffs or high subsidies, or both.

"The problem of the Canadian wheat producer will only be solved with the removal of these high artificial barriers which now restrict, directly and indirectly, our access to the world wheat market. But I can only repeat - wheat production is the principal source of cash income of the great majority of our western farmers and we, as a government, are bound to be greatly influenced by anything so vital to them and to our national economy....

INCREASED ACTIVITY

"We have witnessed this year a very sharp increase in the rate of economic activity, all the more striking in contrast with the somewhat sluggish performance of 1954. Although our rate of activity is high, there appears to be no ground for assuming any change of direction in the predictable future. We have re-established the upward movement in investment and we can look for continuing strength in consumer spending based on rising labour income. In the export field, apart from wheat, there are no adverse clouds on the present horizon. We have as well the substantial underpinning of consumer demand by family allowances, old age security, and unemployment insurance, and these were, I am sure, important factors in minimizing the recession in 1954.

"For anything but the immediate short run, it is, of course, most difficult to make any useful prediction. We have, however, recently appointed a Royal Commission to examine our longer-term economic prospects and to take a careful look at the probably developments of the next twenty-five or thirty years. Already it has had a stimulating effect in focussing attention on the direction in which we are moving, or should move. A considerable part of the Canadian post-war development has centred around the discovery of new mineral resources and the development of other natural resources, particularly the resources of the forest and the resources of water power....

"While we welcome our close economic ties with the United States, we are convinced that our interests cannot be limited to North America. We live by world trade, and that is why we have devoted so much effort and money to helping to restore the fabric of a multilateral and friendly trading world...."

Six per cent fewer telegrams were transmitted in Canada last year. The number was 19,906,000 versus 21,223,000 in 1953. Number of cablegrams rose slightly to 2,106,000 from 2,043,000.

CANADA JOINS IFC: The Department of External Affairs announced on October 25 that Mr. A.D.P. Heeney, the Canadian Ambassador to the United States, had signed the Articles of Agreement of the International Finance Corporation in Washington. The Ambassador had also deposited Canada's Instrument of Acceptance with the International Bank for Reconstruction and Development, thus completing the requirements for membership in the Corporation.

Parliament has made provision in the current year's estimates for an expenditure which will enable the Canadian Government to purchase 3,600 shares in the International Finance Corporation at a value of \$1,000 (U.S.) per share.

The International Finance Corporation will have an authorized capital of \$100 million available for subscription by members in amounts proportionate to their subscriptions to the capital of the International Bank for Reconstruction and Development. The Corporation will come into being when at least \$75 million has been subscribed by at least 30 governments to the capital of the Corporation.

The basic objective of the International Finance Corporation will be to encourage the growth of productive private enterprises in its member countries, particularly in the less developed areas of the world. The Corporation will invest in undertakings in co-operation with private capital. In general the corporation will seek to help create conditions which will stimulate the flow of both domestic and international private investment for enterprises in its member countries.

The representative from Canada who serves as a Governor of the International Bank for Reconstruction and Development will also become a member of the Board of Governors of the International Finance Corporation.

* * * *

NORTH ONTARIO POSSIBLE BEEF AREA: Northern Ontario could become Canada's greatest beef producing area in a few years, according to Agriculture Minister Fletcher S. Thomas, who announced recently that his Department will make a complete study of northern Ontario's potential and do all in its power to help establish the beef industry there.

Mr. Thomas said the Ontario Government is taking a keener interest than ever before in the agricultural potential of the north. He felt that it would be wiser to build a beef cattle industry than spend money on creameries and cheese factories for the dairy industry which seems to have reached its peak.

According to Mr. Thomas, Ontario farmers spent \$3,000,000 last year in Saskatchewan, Alberta and Manitoba for beef cattle to be conditioned on farms in this province, besides an outlay of \$1,000,000 for freighting the cattle in Ontario.

NEW WARSHIP COMMISSIONED: The Rt. Hon. Louis St. Laurent, Prime Minister of Canada, was guest of honor at the commissioning of the Royal Canadian Navy's new anti-submarine destroyer escort, HMCS St. Laurent, at Canadian Vickers Limited, Montreal, on October 29.

The ship, first of 14 of her type to be built for the navy, completed her acceptance trials on October 21, on the lower St. Lawrence, the river for which she is named.

Others among the guests at the ceremony were the Honourable Ralph Campney, Minister of National Defence; Vice-Admiral E.R. Mainguy, Chief of the Naval Staff; members of the Naval Board; Senators and Members of Parliament from the Montreal area; Montreal civic officials, the president of Canadian Vickers, and representatives of Canadian industry as well as service representatives of Commonwealth and NATO countries.

HMCS St. Laurent, under the command of Commander Robert W. Timbrell, R.C.N., of West Vancouver, sailed on October 31 for Halifax, to join the Royal Canadian Navy's Atlantic Command.

* * * *

BEAVERLODGE SURVEY BEGUN: A community planning project is now under way for the Beaverlodge area on the northeastern shore of Lake Athabasca in northern Saskatchewan.

Saskatchewan's minister of municipal affairs, Hon. L.F. McIntosh, has announced that the end result of the survey project will be a planned system of community services and housing in the area for an anticipated doubling of its population within the next few years.

Mining personnel, local citizens and business firms have been interviewed by representatives of the provincial resources department, the community planning branch of the municipal affairs department, and the private firm of Izumi, Arnott and Sugiyama of Regina. Broad policies will be suggested and recommendations made to the government in a report by the private firm, which is acting as co-ordinator of the over-all social, physical, economic and governmentao study project.

Mr. McIntosh said it is hoped the project will be completed during the winter so that planned development can take place with the expected 1956 influx of population.

Canada's Boy Scout membership soared to a new high of 187,512 during the first six months of this year, an increase of 12,226 over the December 31st total. Canada now has 106,045 Wolf Cubs; 58,992 Boy Scouts; 475 Lone Scouts; 1,327 Sea Scouts; 2,002 Rover Scouts, 168 Rover Sea Scouts; a total of 170,009 boy members, plus 17,503 adult leaders.

NEW SHIPPING FACILITIES OPENED: Declaring the new deep-sea wharf of the New Westminster Harbour Commissioners which he was officially opening to be an important contribution to the improvement of transportation on the lower Fraser River, Transport Minister George C. Marler, on October 21, classified this west coast harbour as "one of Canada's major seaports in the export trade." After describing the expansion of traffic through this port in recent years, Mr. Marler said that "it is evident that the Port of New Westminster can look forward with confidence to continuing growth and prosperity in the future."

Following the opening ceremony, the official party visited the new industrial development of Annacis Island, which has been connected with the mainland by a causeway and trestle bridge constructed by the local Harbour Commission which Mr. Marler said "merited additional commendation for an undertaking of such great importance to the commercial well-being of the city and adjoining municipalities." In this connection, Mr. Marler said that the City of New Westminster "combines deep-sea port facilities with a central location in one of the key industrial areas of Canada."

In 1954, the Department of Transport lent the New Westminster Harbour Commissioners the sum of \$1,250,000 towards the construction of the new deep-sea wharf and \$200,000 for the construction of the causeway and trestle bridge.

Earlier in the day, Mr. Marler told a luncheon gathering of business men that while New Westminster was the lumber manufacturing centre of the province "it promises to acquire more importance as a distributing centre and as a seaport." He added that the general industrial expansion of the province of British Columbia "will of course also continue to be an important stimulus of shipping activity." He said that more than 20 steamship lines operated out of New Westminster to various ports of the world. Cargo handled over the New Westminster docks last year amounted to more than 4,000,000 tons as compared with 1,500,000 tons twenty years ago and in the same time the number of ships using the harbour had increased by more than 500.

Mr. Marler was completing a tour of the province and took the opportunity to tell this British Columbian audience of business men some of his impressions:

* * *

MATERNAL MORTALITY DROPS: Only 312 mothers died as a result of delivering the 435,142 infants born in Canada in 1954, and the rate per 1,000 live births dropped to a new low record of 0.7. Most of the risk of mortality from pregnancy and childbirth has occurred since the late 1930's and is now only 1/8 of the 1936 rate. Had the 1936 rate been in effect in 1954, almost 2,450 mothers would have died.

CHRISTMAS ENTERTAINMENT FOR TROOPS: Christmas entertainment for Canadian troops in Korea and Japan has been assured. A variety show from Toronto will leave Vancouver by air on December 14 for a three-week tour of army camps and installations.

The group is composed of the Kimberleys, a husband and wife team; Dave Broadfoot, Toronto comedian who recently appeared on the Ed Sullivan Show and who is making his second trip to the Far East; Sherry Moore, "Miss Calgary Stampeder of 1953"; who does a tap dancing and baton twirling routine; and Sheila Billings, a young singer and dancer who was chosen "Miss Toronto of 1955".

Miss Moore, Miss Billings and Dave Broadfoot were feature attractions at this year's grandstand show at the Canadian National Exhibition.

* * *

CANADIANS AT GATT MEETING: The Canadian Delegation to the Tenth Session of the Contracting Parties to the General Agreement on Tariffs and Trade which opened in Geneva on October 27 is headed by Mr. L.D. Wilgress, Canadian Permanent Representative to the North Atlantic Council. Vice-Chairman of the Delegation is Dr. C.M. Isbister of the Department of Trade and Commerce and other members include Mr. C.A. Annis, Department of Finance, and Mr. R.E. Latimer, Department of Trade and Commerce.

The meeting is one of the regular business sessions of the GATT, which take place periodically to administer the Agreement, to consider complaints and to seek solutions of particular points of difficulty.

* * *

CANADA AT U.N. WHEAT CONFERENCE: The composition of the Canadian Delegation to the first session of the United Nations Wheat Conference which opened in Geneva on October 26, is as follows:

Head of Delegation - Mitchell W. Sharp, Associate Deputy Minister of the Department of Trade and Commerce; *Delegates* - W.C. McNamara, Assistant Chief Commissioner of the Canadian Wheat Board, Winnipeg, Dr. C.F. Wilson, Commercial Counsellor of the Canadian Legation, Copenhagen, and Hector Allard, Permanent Representative of Canada to the European Office of the United Nations, Geneva; *Advisers* - G.N. Vogel, Chief of the Grain Division, Department of Trade and Commerce, Ottawa, J.B. Lawrie, European Manager of the Canadian Wheat Board, London, England, and W. Van Vliet, Commercial Secretary of the Canadian Embassy, Berne, Switzerland.

A second session of this conference will be held early in 1956.

While the Canadian Wheat Board Advisory Committee is not represented at the first session of the Conference, the Committee will be kept fully advised of developments.

NATO EDUCATIONAL AWARDS: The Department of External Affairs announced on October 28 that the North Atlantic Council had approved a NATO Fellowship and Scholarship Programme. This action was taken in implementation of Article 2 of the North Atlantic Treaty, which provides for co-operation in non-military fields. The Fellowship and Scholarship Programme is designed to promote the study of historical, political, constitutional, legal, social, cultural, linguistic, economic and strategic problems which will reveal the common heritage and historical experience of the Atlantic countries, as well as the present needs and future development of the North Atlantic area considered as a community.

The sum of 13,500,000 French francs has been set aside for the 1956-57 programme.

Arrangements have been made to provide two categories of awards:

NATO Research Fellowships to be awarded to established scholars for a period of a few months;

Long-term Scholarships to be awarded to younger scholars for the 1956-57 academic year.

SELECTION OF CANDIDATES

Candidates must be nationals of a member state and must undertake to pursue their research or study in one or more member countries. They will be selected by a Selection Committee under the chairmanship of Ambassador L. D. Wilgress, the Canadian Permanent Representative to NATO, who is also Chairman of the NATO Committee on Information and Cultural Relations. The following have agreed to serve on the Selection Committee: Dr. James B. Conant, United States Ambassador to the Federal Republic of Germany and formerly President of Harvard University; Mr. Robert Marjolin, Professor at Nancy University and formerly Secretary General of the Organization for European Economic Co-operation; Dr. Alberto Tarchiani, formerly Italian Ambassador to the United States; Rt. Hon. H.U. Willink, Master of Magdalene College, Cambridge, and formerly vice-chancellor of Cambridge University.

Fellows and Scholars will be required to prepare a report on their research or study, and submit it to NATO, in English or French, not later than three months after the expiry of the Fellowship or Scholarship.

It is expected that this programme will point the way to new means of co-operation among NATO member countries in the non-military sphere.

All enquiries, requests for application forms, applications, and correspondence should be addressed to:

Awards Committee,
The Royal Society of Canada,
National Research Building,
Ottawa, Canada.

A FRANCO-CANADIAN HALLOWEEN: French children in the neighbourhood of the RCAF Air Division headquarters, Nunsink, and at 2 Fighter Wing, Grostenquin, celebrated Halloween - Canadian style - on October 31. Fifty children from the French quarters mingled with Canadian youngsters around a roaring bonfire, eating apples and hot dogs against a background of glaring lanterns. The youngsters wore fancy dress and prizes were awarded for the best costume.

At the RCAF's 2 Fighter Wing, children from the schools of nearby St. Armand joined the Canadians in their school for an afternoon party, the highlights of which were hot dogs, "cokes", ice cream and a prize for the best costume.

* * *

NAVAL DEAD HONOURED: Memorial services were held on board HMCS ships Magnificent and Micmac on Saturday, October 29, to honour the memory of the 129 officers and men who were lost in the sinking of the first HMCS Athabaskan during the Second World War.

The services were held with the two ships stopped in the position in the English Channel where the Athabaskan went down during an engagement with enemy surface forces on April 29, 1944.

Wreaths were cast onto the Channel waters from the quarterdeck of the Magnificent by Commodore E.P. Tisdall, Senior Canadian Officer Afloat Atlantic, and from the Micmac by Cdr. E.T. Madgwick, commanding officer of the latter ship. The Last Post was played as a Guard of Honour presented arms. One minute's silence was followed by Reveille, and the service closed with the singing of the Naval Hymn "God Save the Queen".

* * *

MASS MOVEMENT OF HOUSES: Public Works Minister Robert Winters and Hon. W.M. Nickle, Ontario Minister of Planning and Development, announced recently that agreements had been signed for Canada's largest house movement operations - a \$2,600,000 project in Hamilton. The operation involves relocation of an entire wartime housing project of 450 houses. It is the largest mass movement of homes ever undertaken in Canada.

* * *

IRON ORE SHIPMENTS DOUBLE: Shipments of iron from Ontario mines, during the first nine months of this year, are nearly double that of the corresponding period in 1954, and almost a million tons more than the total for all of last year.

Interim figures compiled by the Ontario Department of Mines show that to the end of September shipments totalled 3,378,914 tons, as compared with 1,772,830 tons, in the same time last year. The total for all of 1954 was 2,416,434 tons, for a gross value of \$20,341,-203.

BISON HERD TO BE THINNED: Canadians this winter can once more enjoy tender buffalo steaks and roasts.

During the first week in December the National Parks Service of the Department of Northern Affairs and National Resources will reduce the buffalo herd in Elk Island National Park by 500 animals.

The meat will be dressed at the modern abattoir in the Park under the close scrutiny of a veterinary inspector of the Federal Department of Agriculture.

A by-product of the slaughter is a supply of prime buffalo hides, a limited number of which may be purchased by the public from the Park Superintendent at Lamont, Alberta, at a reasonable price.

In keeping with modern wildlife management practice, wildlife populations in the National Parks are maintained at a level which the existing range can support. It has accordingly been found necessary to reduce the elk and moose herds in Elk Island Park and arrangements are being made to donate 200 elk and 50 moose to the Province of Alberta. These live animals will be liberated in areas in which these species have become depopulated. As a result of these reductions in the wild animal population, it is expected that the range in Elk Island Park will be adequate for the remaining herd of approximately 1,000 buffalo, in addition to a large number of elk, moose and deer.

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ELECTED TO STANDARDS BODY: Dr. Leslie E. Howlett, Director of the Division of Applied Physics of the National Research Council, has been elected as a member of the International Committee of Weights and Measures. He is the second Canadian to receive this distinction, the previous member, now retired, being Mr. R.H. Field, formerly of NRC.

The Committee is made up of 18 representatives of countries that maintain outstanding laboratories on the physical standards, with not more than one member from a single country. It is the recognized international body for formulating standards to represent the basic units of physical measurement, such as those of length, mass, and electricity.

The Committee was created by the Metric Convention in 1875, and reports to the International Conference on Weights and Measures, which meets every six years. Between conferences, the Committee transacts all business.

This Committee operates the International Bureau of Weights and Measures, located at Sèvres in France. The Bureau has the custody of the International Metre and the International Kilogram. It is in this Bureau that inter-comparisons are made between the standards of different countries.

FEWER UNEMPLOYMENT CLAIMS: Fewer unemployment insurance benefits were received in local offices across Canada in September, the Dominion Bureau of Statistics reports in its monthly summary. The month's total stood at 87,562 versus 88,627 in August and 109,548 in September last year.

Ordinary claimants on the live unemployment insurance register at the end of September numbered 130,318 (86,416 males and 43,902 females), as against 129,756 (84,837 males and 44,919 females) on August 31, and 1187,745 (138,415 males and 49,330 females) on September 30, 1954. New beneficiaries in September numbered 61,203 compared with 61,386 in August and 78,225 a year ago.

Benefit payments totalling \$8,180,068 were paid in respect of 2,705,587 unemployed days as compared with \$8,727,318 and 2,906,901 days in August and \$12,397,571 and 3,974,847 days in September last year.

An estimated 109,200 beneficiaries received weekly benefit payments during September as against 110,600 in August. During the week ending October 1 last year the number of beneficiaries was estimated at 158,800.

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CANADA-MEXICO AIR AGREEMENT: The Department of External Affairs announced on October 28 the conclusion of an air agreement between Canada and Mexico, modifying the agreement of July 27, 1953, establishing air services between the two countries. The agreement took the form of an exchange of notes at the Mexican Foreign Office between the Canadian Ambassador, Mr. Douglas Cole, and the Foreign Minister of Mexico, Sr. Padillo Nervo.

Under the new agreement, Canadian Pacific Airlines acquire the right to operate between Toronto and Mexico City, and thence to Lima, Peru. In turn the Mexican Guest Airways will be given the right to carry passengers between Mexico City and Windsor, Ontario.

* * *

BOOKS FOR SOLDIERS: Sixty thousand pocket books collected by children of Toronto's Separate Schools reached Ottawa lately for distribution by the Educational Services of the Canadian Legion to Armed Forces personnel overseas.

The big shipment brought the total of pocket books and magazines distributed by the Legion during the last five years to more than 750,000.

The latest collection, gathered in a one-day drive at Toronto's 58 Separate Schools, was picked up by Army trucks and brought to the Legion's book depot at 325 Slater Street. They will be stamped with Legion insignia, a job handled by voluntary workers, and then crated for distribution to sailors on ships at sea, soldiers serving in Japan and Korea, Northwest Europe and Indo China and to airmen at overseas bases.



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NATIONS STUDY DISARMAMENT SUB-COMMITTEE REPORT

MEETING SAID PREMATURE: In opening his statement on October 21 in the Disarmament Commission, the Honourable Paul Martin, Minister of National Health and Welfare and Chairman of the Canadian Delegation to the United Nations, expressed doubt 'whether it was a good idea to suggest at this time a meeting of the Disarmament Commission, particularly when the report of the Disarmament Sub-Committee has just become available and when the members of the Commission cannot possibly have had time to study it carefully, to assess its implications and to obtain instructions'. Mr. Martin said that, in his opinion the meeting 'is premature for another reason, namely the forthcoming meeting in Geneva of the Foreign Ministers of France, the U.S.S.R., the United Kingdom and the United States'. He went on:

'In spite of the vast bulk of the verbatim records our report is essentially a modest one. It registers some progress -- the Soviet proposal of May 10 incorporated a number of important proposals formerly advanced by Western Delegations -- but there is still a substantial gap separating us from a general agreement on a Disarmament Programme.

'Nevertheless the report, or more accurately, the situation which we have now reached in these negotiations, has its encouraging aspects. A great deal of resourcefulness and ingenuity has been demonstrated in the preparation of the various plans and suggestions submitted to the Sub-Committee. I have in mind parts of the Soviet May 10 proposal, the pro-

posal on the financial supervision of disarmament advanced by Premier Faure of France, the proposal of Prime Minister Eden of the United Kingdom for a limited inspection scheme, the various proposals on the methods, objectives and rights of inspection and supervision advanced by both the United Kingdom and French Delegations as well as the plan of the President of the United States.

'It is also encouraging that there is at least partial agreement in some areas of the problem facing us. The Soviet proposals of May 10, reiterated by Premier Bulganin at Geneva, contain provision for setting up control posts the object of which is to prevent a surprise attack by one state upon another. We do not feel that the control posts as proposed by the U.S.S.R. would be adequate to achieve this objective but it is notable that the main objective of President Eisenhower's scheme for exchange of military information and reciprocal aerial reconnaissance is also to provide against the possibility of a surprise attack.

'While I am not anxious to introduce a controversial note in our proceedings, it is necessary to point out that the Soviet Agreement has been based on conditions which have disturbing implications. The U.S.S.R., if I understand their position correctly, take the stand that any step towards disarmament, even the preliminary one suggested by President Eisenhower, can only be taken once comprehensive agreement has been reached on all the phases of a full disarmament programme which would

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PEARSON OPENS INDIAN POWER PROJECT: The Secretary of State for External Affairs, Mr. L.B. Pearson, arrived in Calcutta on October 24 for a visit to India while on his return journey from the Singapore meeting of the Colombo Plan Consultative Committee.

After a two-day stay in Calcutta, he visited Darjeeling, Kalimpong and Benares. He will be in New Delhi from November 3 to 6 where he will hold talks with the Prime Minister of India, Mr. Jawaharlal Nehru, and other Government leaders. While in New Delhi he will address the Indian Council of World Affairs.

One of the highlights of the programme which is being arranged for Mr. Pearson by the Indian Government will be his attendance on November 1 at the formal opening of the Mayurakshi Power and Irrigation project in West Bengal. As Canada has provided capital assistance for this scheme in the Colombo Plan, the Indian authorities have asked him to officiate at the opening ceremonies. This marks the first occasion that a Foreign Minister has been asked to open one of the development projects of India's economic programme.

Mayurakshi, which is one of the high-priority projects in India's current Five-Year Plan, is a multi-purpose scheme designed to irrigate 600,000 acres of land and to generate 4,000 kilowatts of electric power needed to develop small industries in the area, especially those of the cottage type.

The Indian Government has borne a large share of the cost of this project. To help meet some of the local construction costs, Canada has agreed that counterpart funds might be used totalling about \$17 million arising from the disposal of wheat and locomotive boilers previously provided to India under the Colombo Plan.

Canada has co-operated with India on a number of other important undertakings and discussions are now taking place with regard to further Canadian participation in other development projects to which India attaches high priority in her second Five-Year Plan.

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POPULATION IN SEPTEMBER: Canada's population reached 15,706,000 at the start of September, the Dominion Bureau of Statistics estimated recently. This was a gain of 105,000 or 2.7 per cent since the Bureau's last estimate, which showed a population of 15,601,000 at the beginning of June.

Since September 1 last year the country's population has increased by an estimated 393,000 or 2.6 per cent. The growth since the last complete population count -- the 1951 Census -- is estimated at 1,697,000 or 12.1 per cent.

The Bureau's population estimate for September 1 provides no provincial figures. The estimate is arrived at by adding the excess of births and immigration over deaths and an estimate of emigration to the last population total.

EIDER-DOWN IN ARCTIC ECONOMY: The age-old problem of how to clean eider-down quickly and efficiently has been solved by an Icelandic inventor, and it could mean more money in the pockets of some Eskimo families in Canada's Eastern Arctic.

A new machine, which officials of the Arctic Division of the Department of Northern Affairs and National Resources have been testing in Ottawa, cleans eider-down much better than any other known method. The officials are interested in the machine as part of a programme for the conservation, protection and management of the eider ducks, which make their summer homes in northern Canada.

It is expected that the machine will be demonstrated experimentally next year in communities in the Eastern Arctic where there is a heavy concentration of eider ducks. Department officials hope it will encourage the Eskimos to gather greater supplies of the down.

Up to now the tedious and messy job of cleaning eider-down has been one of the reasons that larger quantities have not been gathered in the north; where it is used to make clothing in a number of areas. There is also an 'export' market for eider-down in southern Canada, and further quantities could be sent to Europe or the United States. In Iceland locally produced eider-down sells for as high as \$18 a pound.

Present cleaning techniques are exceedingly primitive. First the down is heated to carbonize foreign matter in it. Then the Eskimo women rub it across parallel lines of sinew, string or wire, which have been strung up for that purpose. Down must be treated soon after it is collected, as it quickly loses the insulating qualities which make it a superb material for outdoor clothing and camping equipment. Only when the major part of the foreign matter is rubbed away does the down become of use. The new machine, which beats and rotates the down in an enclosed box, takes most of the work out of the cleaning.

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DETROIT-WINDSOR TUNNEL AND BRIDGE: The Detroit-Windsor Tunnel is the first vehicular tunnel ever built between two countries. A thousand automobiles an hour can drive through the mile-long tube that dips 80 feet below the surface of the Detroit River.

The Ambassador Bridge between Detroit and Windsor is the world's longest international suspension bridge. The river span measures 1,850 feet in length, and is 152 feet above the Detroit River.

Production of flags, bunting and pennants increased in value to \$490,431 in 1953 from \$369,183 in 1952.

CANADA AND THE COLOMBO PLAN

CONSULTATIVE COMMITTEE MEETS: On October 20, at the concluding session of the Ministerial Meeting of the Colombo Plan Consultative Committee in Singapore, the Secretary of State for External Affairs, Mr. L.B. Pearson, made a statement from which the following are extracts:

'Over the past five years Canada has contributed a total of \$133.4 million under the Colombo Plan. Of this total, roughly, \$55 million have already been allocated to India, \$50 million to Pakistan, \$8 million to Ceylon and considerable amounts of technical assistance and equipment to other countries in South and Southeast Asia. (All figures are in terms of the Canadian dollar which is roughly equivalent to three Malayan dollars.)

'Our main activity under the Colombo Plan so far has had to do with India, Pakistan and Ceylon with whom our co-operation has been close and productive. We greatly value the relationship which has been built up.

NEW UNDERTAKINGS

'Within the past year, however, we have begun to do certain things in collaboration with our newer Asian partners in the Plan. A modest amount of technical assistance in various fields is being provided to most of those countries. We, in Canada, hope that, with increasing experience and familiarity, we shall be able to broaden and deepen our co-operation with them. I would not wish to under-estimate the difficulties which we have had in determining what is most needed in those countries and what we are best able to do within the limits of our available resources. In certain instances, the necessary technical and administrative arrangements have also proved pretty difficult and complicated. I hope that the visits which some of our officials have made to your countries, and the talks which they have had in your capitals, have been helpful to you in deciding what you require as they have been of value to us in assisting us to judge what we might provide.

'In this connection, we have decided to locate in Singapore an officer who would specialize in Colombo Plan matters and would be able to travel around this part of the area. This would facilitate co-operation between us on questions relating to your development programmes. The practical experience which is being acquired by some of our experts or technicians assigned to your countries should also be helpful.

'Just before I left Ottawa, plans were being completed for several small, but I hope useful, technical assistance projects.

'For example, one of our outstanding mining and engineering specialists and his assistant are to visit Indonesia very soon in connection with possible assistance to technical training

institutions there. The assistance which might follow on the recommendations of this mission would supplement the arrangements which we have made to assign a few technicians to Indonesia and to receive a number of young Indonesian students for further technical education in Canada.

'A French-speaking fisheries expert will, I hope, be sent to Cambodia to advise on the requirements of the Cambodian fisheries industry, with particular reference to the fish processing and drying aspects of that industry....

'I would like to say to the representatives of all of these countries that we are desirous of doing what we can for them within our capabilities. We would be pleased to increase our co-operation with them and with the United Nations or its Agencies where we may have certain technical equipment which is required, or where we may have personnel or training facilities in Canada which could fit in well with what they are contemplating doing. For instance, as I believe has been noted at the Officials Meeting, it might be possible for us to find French-speaking technicians or opportunities for training in connection with either capital or technical assistance projects in countries where French is a more common language than English....

NUCLEAR DEVELOPMENTS

'Canada, along with others, has been active in the atomic field for several years. We welcome the progress which was made at Geneva in broadening the international exchange of atomic information, and we have been considering for some time what we ourselves might do in this connection. Our scientists have cautioned us that the production of electric power and some of the other industrial uses of atomic energy on an economic basis may be some distance off. It would, nevertheless, seem desirable for as many countries as possible to make an early start in order that full advantage may be taken of these potentialities as they become practicable.

'In the medical field, of course, it is already feasible to apply some of the products of atom-splitting to the diagnosis and treatment of diseases, particularly cancer. Canada has developed, and is producing, a therapy unit of this kind which has been getting very good results. Last year we were asked by our Burmese friends whether one of these might be supplied to Burma. In the light of developments in the design of our Cobalt Beam-Therapy Unit in the meantime, I have been able to tell our Burmese colleague since I arrived here, that we shall be able to provide his country with a suitable unit of this kind under the Colombo Plan. I would hope, therefore, that, after discussion of some details relating to its installation and operation, it might be possible

shortly to proceed with this small but useful project. It will take us some two years to complete it but, in the meantime, we propose to provide training opportunities in Canada for the Burmese personnel who will be handling the unit.

We have also been pleased to receive scientists from several of the Colombo Plan countries for work in nuclear physics and similar fields at our universities and in other scientific institutions. For example, three physicists from Pakistan have spent some time with us in Canada working in these fields. While our facilities for offering such training are limited, we wish to receive as many scientists as we could provide research or training for at these institutions.

The centre of our own atomic activity has been our so-called NRX reactor at Chalk River, Ontario, which some of you, or your officials, visited when you were in Ottawa last year. This high-powered and versatile reactor is serving us well in our research and experimental work. The manufacture, installation and operation of this type of unit present numerous problems involve rather heavy costs and requires a considerable number of very scarce experts. Nevertheless, we have concluded that we should try to arrange to set one up in the Colombo Plan area.

REACTOR FOR INDIA

Therefore, as was announced jointly by the two governments last month, the Indian and Canadian Governments have reached agreement in principle on such a project and the details are now being worked out. We plan to meet the external costs of this reactor in such a manner as not to reduce the amount of aid which would otherwise have been made available to other Colombo Plan countries, including India, for more conventional development projects. We have also indicated to the Indian authorities that we would be agreeable to their using counter-part funds arising from earlier Canadian aid to finance local costs relating to the reactor.

It has been agreed that this reactor should be made available for the use of scientists from other countries, including those from countries in the Colombo Plan area. Such joint participation by the Indian and Canadian Governments in a project which aims to improve mastery of this new-found source of energy for constructive purposes; for the benefit of, and with the participation of scientists from, other countries as well, reflects, I think, the common purpose which we all share in the Colombo Plan. It is, I believe, right that we should look well ahead and plan to bring the latest - as well as the most ancient - methods into service in raising living standards and strengthening our economies. It is well to remember, however, - although this reminder is scarcely needed in this company - that progress in economic development will continue to

require old-fashioned toil and a careful use of resources. Atomic energy is by no means the magic answer to all our problems. Our main efforts will have to continue to be directed to the age-old tasks of irrigating and enriching the land, cutting the timber, bringing up the ore from below the ground, improving the means of transport, generating energy from all available sources, building up sound and productive industries, and combating disease....

* * *

TINY ENVELOPES BANNED: In order that the public may have more time in which to familiarize themselves with the new postal regulation governing the permissible minimum size of envelopes for transmission through the mails and to use up supplies on hand, there has been an extension of the effective date of this regulation to February 1, 1956, it was announced by the Post Office Department recently.

The new regulation, which puts into effect a convention of the Universal Postal Union at the last Congress in Brussels, provides that no envelope may be accepted for mailing which is smaller in size than 4 inches long and 2½ inches wide. It was pointed out that while ordinary correspondence envelopes are usually much larger than the dimensions mentioned, many types of greeting cards, invitations and announcements are enclosed in very small envelopes.

The reason for the adoption of the convention by the Universal Postal Union was the difficulty experienced by most postal administrations in handling these very small envelopes, due to the increasing mechanical complexity of mail handling operations. Most letter mail, for instance, is machine cancelled, but this is not possible with very small envelopes which must be set aside and hand-cancelled. These envelopes also, due to their small size often become entrapped in larger pieces of mail, with consequent loss or delay in delivery.

* * *

PACIFIC WESTERN AIRLINES ON MOVE: Pacific Western Airlines Limited of Vancouver became Canada's third largest commercial airline this year when it exercised its option to purchase the rival Queen Charlotte Airlines. Pacific Western now has 62 planes, surpassed in Canada only by Trans-Canada and Canadian Pacific.

* * *

MORE BABIES SURVIVE: Despite an increase in 1954 over 1953 of more than 18,000 live births, 923 fewer infants died in their first year of life than in the previous year -- 13,841 versus 14,764 -- thus establishing a record low rate of 32 per 1,000 live births. The Canadian rate has been gradually reduced from over 100 in 1923 but the most notable gains have been made during the last 10 to 15 years during which the rate has been cut in half.

CANADA UPS TECHNICAL ASSISTANCE: The Department of External Affairs announced on October 20 that, subject to Parliamentary approval, provision is being made for a contribution of \$1.8 million (U.S.) to the United Nations Expanded Programme of Technical Assistance for the 6th financial year. Since its inception in 1950 Canada has contributed \$5,400,000 to the programme. The proposed contribution for the 6th financial year represents an increase of \$300,000 over that for the last two years.

The multilateral technical assistance programme is an important part of the activities of the United Nations and has always been actively supported by Canada. It offers one of the best means of effectively assisting the economically less well developed countries with their problems and, in this respect, in the Colombo Plan area supplements Canada's Colombo Plan activities. The United Nations Programme contributes appreciably to a better understanding among peoples and governments and provides a continuing expression of concerted international co-operation and, by improving technical knowledge, skills and techniques, seeks to raise the standards of living of the under-developed countries.

In addition, as an expression of the Canadian Government's continuing support for the programme, and in an endeavour to guarantee that its administration shall be placed upon a firm administrative foundation and so that its projects may be planned on a long term basis, it is the intention of the Government that an undertaking be given, subject to Parliamentary appropriations, that support of the same general order of magnitude could be expected in 1957 and 1958.

* * * *

HALF-YEAR MINERAL PRODUCTION: Thirteen of Canada's 16 leading minerals were produced in greater volume in the first six months this year than in the first half of 1954, the Dominion Bureau of Statistics reports. Iron ore, petroleum and natural gas made particularly large gains. Coal, lead and silver were produced in smaller volume.

Half-year production of iron ore soared to 4,090,048 tons from 1,756,047 a year ago, petroleum to 56,858,733 barrels from 42,207,237, and natural gas to 73,781,104 M cubic feet from 64,394,503 M. Production of asbestos rose to 505,199 tons from 434,823, cement to 11,-096,053 barrels from 10,568,303, clay products to \$14,809,554 from \$13,690,920, copper to 156,721 tons from 144,259, and gold to 2,215,-163 fine ounces from 2,093,672.

Production of walnut lumber in 1953 amounted to 53,000 feet board measure, about one-quarter less than in the preceding year. Ontario accounted for the entire output in 1953.

'COPTER CARRIES VIP': The cricket pitch of Rideau Hall served as an aircraft landing field on October 26 when a helicopter of the Royal Canadian Navy transported Britain's First Sea Lord, Admiral The Earl Mountbatten of Burma, from Ottawa to Kingston and back.

The helicopter was pressed into service to enable Admiral Mountbatten to keep abreast of a busy programme. At Kingston, on the 26th, he lectured to the National Defence College in the morning, addressed the Canadian Army Staff College in the afternoon, then inspected and spoke to the cadets of the Canadian Services College, Royal Military College. His evening engagements included a reception at the Parliamentary Press Gallery and a naval mess dinner at HMCS Carleton, the Ottawa naval division.

The helicopter landed on the cricket pitch at Rideau Hall at 8:20 a.m. on the 26th and took off at 8:30. Arriving at Kingston an hour later, it landed on the grounds at RMC. The return flight to Ottawa began shortly after 4 p.m. A second helicopter, acting as escort and spare aircraft, accompanied that carrying the official party. Both machines were Sikorsky HO4S-3's.

The route followed on the flight was from Rideau Hall to the Ottawa river, westward along the south shore to Britannia Bay, and thence direct to Kingston. The flight skirted Smiths Falls and from there on followed Highway 15 to RMC. The return flight followed the same route.

* * * *

MOTELS MUSHROOM IN CANADA: The growth of Canadian motels has been spectacular in the postwar years, and it shows no sign of abating. There are now about 5,000 across the country. They began in Vancouver, and the idea travelled east.

Ontario, which in 1949 had just 75 motels, now boasts 700. For a time they were being constructed at the rate of two a week. The typical Canadian motel, it is estimated, has from 10 to 20 rooms and averages in price from \$200,000 to \$400,000. Rates vary from seven to ten dollars nightly for two persons.

London, Ontario, has more motels than any other municipal area in the province. They accommodate many motorists driving from Detroit to Buffalo on No. 2 Highway. The London motel count is in the vicinity of 140, but observers had better not turn their backs or the figure might change.

* * * *

STRATFORD PROGRAMME: 'Henry V' will be one of the 1956 productions of the Stratford Shakespearean Festival at Stratford, Ontario. The usual seven-week season of plays is planned.

A Canadian group of French-speaking actors from Quebec will be featured in the 'Henry V' production. The actor who will play the title role has not yet been announced.

NATIONS STUDY DISARMAMENT
SUB-COMMITTEE REPORT

(Continued from page 1)

extend to the banning and even the elimination of nuclear weapons. This means, in effect, that unless we can agree on everything at the same time, unless we can agree now on every step necessary to achieve 100 per cent of our objective, we should be content to do nothing, not even those things which we are all agreed could be done now and would facilitate progress towards achievement of our ultimate goals. This, I find, is particularly disturbing. As we all know, and as the Soviet Union itself has publicly acknowledged, in the present state of scientific knowledge, there is no possibility of checking up on past production of nuclear weapons and of ensuring that an agreement on the elimination of these weapons would be effectively implemented. By their insistence on full agreement which extends to this aspect of the programme, before the first stages can be initiated, I am afraid that the Soviet Union is taking up a position which may involve the indefinite postponement of any action whatever in the field of disarmament.

EISENHOWER PLAN

'For this reason, I would hope that the members of this Commission will share our view that President Eisenhower's plan represents an ingenious and practical attempt to resolve the deadlock and a way to facilitate progress. This Commission will agree with me, I think, that, in this case as in many others, "le mieux est l'ennemi du bien", and that we would be well advised to do what we can now; gradually, as confidence increases and danger recedes, as our scientific means of control are developed, we may find that we can accomplish more than seems to be possible at the moment. The immediate requirement is not for this Commission to endorse this or that plan, but for all of us to join in the resolve that whatever action is possible now, should be initiated without delay and that all our efforts should be directed towards reaching agreement on such parts of a disarmament programme as can be effectively implemented. In short, the Eisenhower plan -- and I use the word "plan" advisedly -- would have to be developed and elaborated before it could be applied. But it points the way to a possible solution. It has been described, as a matter of fact, as the gateway to a broader agreement on disarmament. The choice before us is, therefore, between taking a step which all are agreed is desirable and would constitute in any case part of the broad agreement which is required on disarmament, or waiting until such broad agreement has been reached, not only on the preliminary stage but also on such subsequent stages and detailed arrangements as can be mutually accepted.'

'It seems to me that by taking the first step as recommended by President Eisenhower, we would be doing immediately something practical and effective, something which we would be required to do in any case as part of any general agreement on the subject. But in so doing now, we would have already travelled part of the way towards our goal and to a considerable extent we would have improved the prospect of achieving agreement on how to proceed the rest of the way....'

'As I understand the Soviet position, they find one main fault with the plan: it involves no guarantee that it will lead to an agreement on the reduction of armaments and of armed forces. My answer to this point is that it is clear to me that it provides part of the answer to our problem, and at this stage a partial answer is better than none. Furthermore, such a partial and limited answer will help create the psychological and political framework which will render the solution of the rest of the problem considerably easier. Finally, to be frank, I recognize that the prospects of further agreements will depend on the sincerity and moderation of all the parties concerned in the negotiation. The Soviet leaders argue that there is no guarantee that a further agreement will be acceptable to the Western side, but we wonder whether they can have any possible reason to believe that if they were to accept the Eisenhower plan, the West would be unwilling later on to agree to a scheme which would be generally satisfactory.'

CONFIDENCE ESSENTIAL

'Everything, in fact, turns on confidence, on willingness to accept the fact that the other side is sincere and prepared to do what is necessary to bring about agreement. This is again where the Eisenhower plan is so admirably fitted to the situation. It is essentially devised as a mark of confidence and as a means of promoting it.'

'This is not to suggest that in its present form and in isolation from any other arrangements for disarmament, the plan should be implemented as such immediately. But, it provides, in my view, a reasonable nucleus around which an initial and limited agreement could be developed and a most convenient approach to the solution of a problem which is so urgent and apparently otherwise intractable.'

'Although the situation is not without some encouraging features, I must stress in conclusion that we are still at the phase of plans and schemes which require a great deal more development in detail. Such agreement as may have been made between governments covers only parts of the various proposals advanced. We still face very serious scientific and technical obstacles which cast doubt on the possibility in present circumstances of effectively guaranteeing the observance of any scheme for the total prohibition and elimination of nuclear weapons.....'



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NEW LIGHT ON MOST ANCIENT ARCTIC

IMPORTANT ARCHAEOLOGICAL FIND: Traces of what may well be the oldest known civilization in the Canadian north were uncovered this summer in the Yukon Territory, just 20 miles from the Arctic Ocean. The archaeological find, which produced tools and implements of four civilizations hitherto unknown in the Canadian north, was made by a party headed by Dr. Richard S. MacNeish, chief archaeologist with the National Museum of Canada.

In announcing the find recently, the Honourable Jean Lesage, Minister of Northern Affairs and National Resources, termed it "one of the most significant archaeological discoveries ever made in Canada."

"The archaeological party, in an area 600 by 1,200 feet, uncovered traces of nine different civilizations. Four of the civilizations were not known to have existed in the Canadian north. One of them may well be the oldest so far discovered anywhere on the northern part of this continent," Mr. Lesage added.

"Many of the 8,000 artifacts found at the site this summer are identical in design and concept to others which have been unearthed in eastern Siberia and other parts of eastern Asia. They would seem to give further substantial evidence that there was a considerable influx of people and ideas from eastern Asia to this continent, via the Bering Straits," he declared.

In Ottawa recently Dr. MacNeish related how he and an Eskimo guide had stumbled upon the find last year, almost by accident. A cursory examination of the site was enough to convince Dr. MacNeish that it would yield rich archaeological treasures.

A party of 11, including eight Eskimos, an archaeological student from Iraq, who had been sent by his government to receive training in Canada, Dr. MacNeish and his wife, an ethnologist, flew to within two miles of the site this summer. After marking out an area 600 by 1,200 feet they began their search.

"It soon became obvious", Dr. MacNeish said, "that this had been a sort of Grand Central Station of the north where everybody stopped. We uncovered hundreds of implements made of bone and stone - scrapers, arrow heads, and flakers. We also unearthed a considerable quantity of pottery, some of which may be connected with Siberian archaeological cultures 3,000 to 5,000 years old.

"However, our most interesting discovery was made in the permafrost," Dr. MacNeish added. "We had found a number of implements belonging to the oldest civilization known to have existed in northern North America. Then, under a layer of clay, several inches below these artifacts, we found 10 exceedingly crude stone implements, obviously from an even earlier civilization."

(Continued on page 6)

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RESOURCES INVENTORY OF CEYLON: Canadian capital and Canadian personnel, employing aerial survey methods utilized extensively in this country, will provide Ceylon with an inventory of its natural resources, commencing in the immediate future.

Under provisions of the Colombo Plan for the economic development of South and Southeast Asia, a contract has been awarded to Photographic Survey Corporation, Limited, of Toronto, extending over a period of two years. In making this announcement, Mr. Nik Cavell, Administrator of the International Economic and Technical Co-operation Division of Canada's Department of Trade and Commerce, said that the cost of this survey would be \$500,000, spread over a two-year period.

A similar project was undertaken by Photographic Survey Corporation in Pakistan, which aroused the interest of government officials in Ceylon. Accordingly, Canada was requested to make provision under the Colombo Plan for a resources inventory of the entire island, covering an area of approximately 25,000 square miles.

Mr. Cavell said that an operation centre will be established for the integration of aerial photographic studies on a continuing basis. A special building will be provided with laboratory facilities, and Ceylonese technicians trained in modern air survey methods.

The whole island will be photographed from the air from a Lockheed Hudson aircraft equipped with the necessary cameras. Mosaics and maps will be prepared from the photographs, and geological and forestry studies undertaken with the aid of special equipment. A river basin will be examined from the air and on the ground by agricultural and irrigation experts. Arrangements will also be made to replan the city of Kandy with the use of air photographs.

Plans for this resources inventory were made following a survey of the situation in Ceylon by Dr. J.D. Mollard, Chief of the Air Photo Analysis and Engineering Geology Division, Department of Agriculture, Regina. J.M. Henderson, who was project manager of the resources inventory in Pakistan, will head a group of specialists in aerial surveying, photography, geology, forestry, soils engineering and other pertinent fields being sent to Ceylon by Photographic Survey Corporation.

* * *

NEW BUILDING RESEARCH STATION: Building Research in Canada's Atlantic Provinces took an important step forward with the establishment of a Maritime Regional Station by NRC's Division of Building Research. Housed in NRC's Maritime Regional Laboratory on the campus of Dalhousie University, Halifax, N.S., the new station will be a counterpart of the Prairie Regional Station of the Division, which is located in NRC's Prairie Regional Laboratory

at Saskatoon. It will serve as a centre for field studies of building problems in the Atlantic Provinces, with special reference to the performance of building under Maritime climatic conditions. Masonry and mortar studies will be among the principal projects.

Two members of DBR are being transferred from Ottawa to Halifax to start this new Station: Messrs. D.B. Dorey (from the building design section) and D.C. Tibbetts (from building practice, construction section). Both are graduates of the Nova Scotia Technical College.

* * *

CD FOR ARMY OFFICERS: In the first step towards arranging for possible aid by the armed forces to civil authorities in time of disaster, a special course for army officers is under way at the Canadian Civil Defence College, Arnprior.

Concurrently, the CD College is conducting a course for top-level fire marshals and fire chiefs, at which special problems of the H-Bomb are being studied.

The Canadian Army Civil Defence Liaison Officers' course is attended by 40 army officers, who will study the organization and planning of civil defence in Canada and how the armed services may assist civil defence officials in the event of atomic attack or when called to aid the civil power in any mass catastrophe.

At the Fire Defence Study, 30 top-level fire marshals and fire chiefs representing Canada's major cities will study the role of the fire services during potential H-Bomb attacks, and the preparations required now to make them effective for possible future wars. Some of the panel discussions on fire problems will be headed by three top fire officials from the U.S. and the U.K. Mr. George Stanbury of the U.K. Home Office, Scientific Branch, and a participant in British atomic tests in Australia, will lead a discussion on Fire Research problems as they are affected by atomic weapons. Mr. Kyle Laughlin of the U.S.F.C.D.A., and Mr. Horatio Bond, Chief Engineer of the National Fire Prevention Association will chair meetings dealing with Special Fire Equipment and Fire Spread under actual atomic tests. Other speakers will include Mr. Gordon Shorter of the National Research Council, Mr. Austin Bridges, Alberta's Fire Commissioner, Mr. W.T. Scott, Ontario's Fire Marshal, and instructors of the Canadian Civil Defence College.

In addition to the Fire Study and the special army course, the College is also conducting a Course at which 30 rescue instructors from across Canada are completing their studies in rescue operations.

Last year 40 peat bogs were worked in Canada, four more than in 1953 and 18 more than in 1941.

SOVIET-CANADIAN JOINT COMMUNIQUE

A CORDIAL EXCHANGE: The following Soviet-Canadian joint communiqué was released on the conclusion of the visit to the U.S.S.R. of the Honourable L.B. Pearson, Canada's Secretary of State for External Affairs:

From October 5 to 12, as guest of the Soviet Government, the Canadian Secretary of State for External Affairs, Mr. Lester B Pearson, visited the U.S.S.R.

During his stay in Moscow, Mr. Pearson met leading statesmen of the Soviet State and had discussions with the Foreign Minister of the U.S.S.R. Mr. V.M. Molotov, the Minister of Foreign Trade, Mr. I.G. Kabanov, and the acting Minister of Culture of the U.S.S.R. Mr. S.V. Kaftanov.

In discussions during these meetings, there took part, on the Canadian side, the following persons accompanying Mr. Pearson: the Associate Deputy Minister for Trade and Commerce, Mr. M.W. Sharp, the assistant Under-Secretary of State for External Affairs, Mr. J.W. Holmes and Mr. J.B.C. Watkins, Ambassador Extraordinary and Plenipotentiary of Canada in the U.S.S.R.

SOVIET PARTICIPANTS

On the Soviet side there took part in the discussions the Deputy Foreign Minister of the U.S.S.R., Mr. V.A. Zorin, Ambassador Extraordinary and Plenipotentiary of the U.S.S.R. in Canada, Mr. D.S. Chuvakhin, and Chief of the Second European Department of the Foreign Ministry of the U.S.S.R., Mr. V.Y. Erofeyev.

These meetings and discussions took place in a cordial atmosphere and ranged over a wide variety of subjects including matters of specific concern to the two countries as well as others of major international significance. The exchange has resulted in clearer understanding of each other's point of view, which should assist in the promotion of good relations between the two countries.

It was recognized that there were no problems between nations or group of nations which were incapable of solution by peaceful means if goodwill and a sincere desire for strengthening peace and friendly relations between nations were present. Mr. Molotov and Mr. Pearson expressed their satisfaction at the fact that the points of view in the United Nations Sub-Committee on Disarmament, of which the U.S.S.R. and Canada are members, had come closer together, and it was established that both sides had common views with regard to the necessity to facilitate early solution of the disarmament problem. It was agreed that, for such an achievement, the development of confidence and trust between nations and the growth of a sense of security were vitally important. This end should be served by measures directed at further relaxation of international tensions. It was noted with satisfaction that the decisions of the Conference of Heads of Governments of the Four Powers in Geneva in

July last had facilitated relaxation of tension in international relations, although many problems still remained to be solved.

In connection with Mr. Molotov's co-chairmanship of the Geneva Conference and Canada's membership in the International Supervisory Commission for Indochina, an occasion for discussion of the problems of Indochina was presented. It was agreed that, in spite of the difficulties, the object of implementation of the Geneva Agreements, while maintaining the truce and avoiding further hostilities, should be pursued.

Advantage was also taken of Mr. Pearson's visit to explore the possibility of concluding a trade agreement between Canada and the U.S.S.R. on a mutually beneficial basis, with the most-favoured nation principle being observed. The desirability of measures directed towards the removal of barriers to international trade generally was recognized by both Ministers. There was a sufficient measure of agreement to warrant resumption of negotiations shortly in Ottawa which were started in Moscow, which will, it is hoped, produce positive results of benefit to both countries.

FREER INFORMATION FLOW

In the course of the discussions held, it was agreed that mistrust and misunderstanding could be to some measure dispelled by greater exchange of visits both official and unofficial. It was agreed that every effort should be made to remove obstacles to the freer flow of information and views and to develop as much as possible the cultural, scientific and technical contacts. It was agreed, in the first place, to consider means of scientific and technical co-operation between the U.S.S.R. and Canada in industry, transport, and agriculture, and the exchange of information on scientific research in Arctic regions.

It was also agreed that visits by parliamentary delegations could contribute to better mutual understanding between the U.S.S.R. and Canada and strengthen the ties between them.

The Foreign Ministers recognized that their governments' differences of approach to political and economic problems should not be a hindrance to co-operation on many practical subjects on the basis of mutual interest and the desire to promote peace and good neighbourly relations. Such co-operation would be based on the principle of non-interference by each country in the domestic affairs of the other, and would be inspired by the desire by both to work together for the establishment of international peace and the ensuring of security.

Before leaving the U.S.S.R., Mr. Pearson visited the Crimea, where he was received by the Chairman of the Council of Ministers of the U.S.S.R., Mr. N.A. Bulganin, and by Member of the Presidium of the Supreme Soviet of the U.S.S.R., Mr. N.S. Khrushchev.

1955 CANADA YEAR BOOK: For 89 years the Canada Year Book and its predecessors have provided a contemporary record of Canada's resources, institutions, and economic conditions and the trends of Canada's development as a nation, by means of articles, statistical facts, diagrams and maps. Each successive issue has grown in the performance of this task. The 1955 edition, issued recently, continues this growth, providing in a single comprehensive volume of nearly 1,400 pages an encyclopaedic range of information about Canada.

Besides the customary revision of basic material to bring it up to date, the regular chapters of the 1955 edition contain other revisions and some new features. Among these are a detailed treatment of Canadian physiography, a digest of the administrative functions of the Federal Government with accompanying chart, preliminary results of the first nation-wide sickness survey, short analyses of the new Canadian Criminal Code and of the decennial revision of the Bank Act, and a survey of scientific and industrial research including that in the atomic field, as well as up-to-date reviews of developments in Canada's foreign and domestic trade, manufacturing, natural resources, public finance and other fields.

Nine special feature articles have been incorporated in this edition. Their titles are: "The Northland - Canada's Challenge", "Migratory Bird Legislation", "Post-War Immigration", "The Forest Products Laboratories of Canada", "Developments in Canada's Mineral Industry - The Metals, Industrial Minerals, Petroleum and Natural Gas, and Coal", "The St. Lawrence Power Project", "The St. Lawrence Seaway", "Canada's Commercial Fisheries Resources", and "The History of the Canadian National Railways".

Price of the Canada Year Book is still \$3.00. Orders for copies, accompanied by remittance in the form of cheque or money order payable at par to the Receiver General of Canada, should be addressed to the Queen's Printer, Ottawa.

* * * *

PLACENAMES HONOUR WAR DEAD: Eleven more Saskatchewan servicemen who gave their lives during the Second World War are being honoured by the provincial government by having their names officially adopted to designate topographical features in the province's northland.

Following are the newly-named map features, all in the Beaverlodge uranium area 450 miles northwest of Prince Albert, and the servicemen after whom they have been named:

Hoey Lake, after WO2, James W.D. Hoey, RCAF; McGraw Lake, after Bdr. Andrew F. McGraw, RCA; Clavelle Lake, after Gnr. Alfred Clavelle, RCA; Dowson Bay, after L. Cpl. James C. Dowson; Wick Lake, after Pte. Wilbur W. Wick; Waynert Lake, after Gnr. Elvin T. Waynert; Padget Bay, after

FO Richard E. Padget; Kadman Lake, after Rfn. John A. Kadman, Regina Rifles; Wivcharuk Lake, after John Wivcharuk, Regina Rifles; Valliere Lake, after A/Cpl. Joseph A. Valliere, Regina Rifles; and Witt Lake, after Rfn. James J. Witt, Regina Rifles.

* * * *

NWT MACE ESKIMO MADE: The Governor-General the Right Honourable Vincent Massey, will present a mace to the Council of the Northwest Territories at a ceremony at Government House early in the New Year.

The mace, of unique design, carved entirely by Eskimos of Baffin Island, embodies the symbols of life in Canada's northern regions. Standing 5½ feet high, its central column is made of narwhal tusk with carvings in whalebone depicting the people and animals of the Arctic. It also includes Indian quill work from the Yellowknife region and pellets of gold from mines of the Northwest Territories. A block of oak from an ancient ship, wrecked in the Arctic while searching for the Northwest Passage, is carved with symbols of the white man and represents the white man's arrival in the north. Like the mace of the House of Commons, it is surmounted by a crown and orb, but, in its materials and design, it is entirely representative of the north.

The mace was made this summer at Cape Dorset under the guidance of James A. Houston, of the Arctic Division of the Department of Northern Affairs. Although it was necessary to explain to the Eskimos something of the general conception and design of a mace, of which they had never heard, the craftsmanship and labour were entirely Eskimo.

* * * *

ARMY CADETS CENTENARY: Dedicated to the task of assisting youths to develop leadership, patriotism and good citizenship, the Royal Canadian Army Cadet organization is nearing its first centennial.

The cadet movement made its first appearance in Canada in 1861, when two cadet corps were formed in the Province of Quebec, No. 1 St. Hyacinthe College Cadet Corps and No. 2 Bishop's College School Cadet Corps. They were known then as "Associations for the Purpose of Drill".

There are now 560 Army cadet corps with a total enrolment of 65,000 cadets. These corps are located in centres from Yellowknife to Windsor and from Victoria to Newfoundland.

Since the end of the Second World War more than 5,700 former cadets have enrolled in the ranks of the Regular Army and many others have been commissioned. Thousands of ex-cadets have gone into Militia units.

Fifty-two per cent of Canada's farm homes had a passenger automobile in 1951 as compared with 38 per cent of the rural non-farm homes and 41 per cent of the urban homes.

TOP CHEMIST: Dr. Otto Maass, a Principal Research Officer in the Division of Pure Chemistry of the National Research Council of Canada, and formerly Macdonald Professor of Physical Chemistry and Head of the Department at McGill University, was recently elected an honorary member of the Chemists' Club of New York. Honourary membership is restricted to about a dozen top chemists throughout the world, and Dr. Maass is the only Canadian so honoured.

Dr. Maass was born in New York City in 1890. His family moved to Westmount, P.Q., and Dr. Maass received his early education in Montreal schools. He received his B.A. degree from McGill in 1911 and the M.Sc. degree in 1912. He attended Harvard University, as holder of the Royal Exhibition of 1851 Scholarship and was awarded the Ph.D. degree in 1919. After a short period in Europe he returned to McGill, where he became Macdonald Professor of Physical Chemistry in 1923 and Head of the Department in 1937. Under his supervision a large and active research group rapidly formed. Dr. Maass also became associated with the Pulp and Paper Research Institute of Canada, where he has been General Director of Research since 1940. He joined the staff of the National Research Council in 1955.

NRC CONNECTION

He was a Member of the National Research Council from 1939 to 1945. Many of his contributions to Canada's war effort were made through the associate committees of the Council, and he served as Assistant to the President of NRC from 1940 to 1946. He also served as Director of Chemical Warfare and Smoke, Department of National Defence, and was a member of the Defence Research Board. For these and other activities he was honoured by the King, who made him a Commander of the Order of the British Empire in 1947, and by the Civil Service, which awarded him the gold medal of the Professional Institute of the Public Service in the same year. The Government of the United States also recognized his services with the award of the United States Medal of Freedom with Bough.

His outstanding contributions have been recognized in many ways. He was elected a Fellow of the Royal Society of London in 1940, for outstanding achievements in the field of paper technology. He was awarded the Society of Chemical Industry Medal in 1943, the Tory Medal of the Royal Society of Canada in 1944, and the Chemical Institute of Canada Medal in 1952. In addition to these honours, Dr. Maass has received honourary degrees from the Universities of Laval, Manitoba, Rochester and Toronto.

His latest award is the honourary degree of Doctor of Science from McGill University, at the founder's Day convocation on October 6.

EDINBURGH INVITES STRATFORD: Following a Board meeting held on October 15, the Governors of the Stratford Shakespearean Festival announced that they had received an invitation from officials of the Edinburgh Festival to have the Stratford company appear in Edinburgh next summer.

The Canadian Festival, now entering its fourth season, is already preparing to launch the Festival company in New York this winter in co-operation with Producers' Theatre, the first time the Festival company has played outside of Stratford, Canada.

Mr. A.M. Bell, President of the Foundation, commenting on behalf of the Board of Governors, said:

"We are highly honoured that the Festival company has been invited to play in two international theatre centres in one season. The Festival was founded with the aim of advancing the development of Canadian theatre and of providing improved opportunities for Canadian artistic talent. In three seasons we have gone far toward achieving these ideals within Canada."

"It is just as important, however, that the Festival work toward establishing a national standard abroad. Already Le Théâtre du Nouveau Monde has drawn European attention to Canadian artistic achievement by their appearance in Paris last summer.

"It is our hope that we may do our share in furthering such international recognition of Canadian art."

No details of the proposed Canadian visit to Edinburgh are yet available, but it is expected that Mr. Michael Langham, Artistic Director of the Canadian Festival, now in England, will be in Edinburgh next month to discuss plans with officials there.

Such a development would mean running the nine-week Canadian Festival season earlier than usual. Plans are now being discussed to schedule it from June 18 to August 18.

* * *

MORE FREIGHT THROUGH CANALS: During July, 4,455,977 tons of freight were cleared through Canada's ten canals, 450,404 tons or 11.2 per cent more than in July last year, the Dominion Bureau of Statistics reports. Increased traffic was reported for the St. Lawrence, Welland, St. Peter's and St. Andrews canals, and decreased traffic for the Canadian lock at Sault Ste. Marie and four of the smaller canals.

Among commodities, the main increases this July were in iron ore and fuel oil. The number of vessels travelling through the ten canals rose to 4,043 from 3,986 and the registered net tonnage advanced to 4,174,917 tons from 3,931,722. Passengers transported increased to 70,858 from 40,846 last year, and the number of pleasure craft to 23,936 from 20,-285.

NEW LIGHT ON MOST ANCIENT ARCTIC

(Continued from page 1)

As yet it has not been possible to determine the approximate age of the discoveries made in the permafrost. However, carbon 14 tests will be made later to establish the period in which the implements were used. In carbon 14 tests, by measuring the radioactivity of carbon with artifacts, it is possible to determine their approximate age.

The location of the discoveries was on the banks of the Firth River at a place that had obviously been a caribou crossing for centuries. A small rock hill, an ideal observation spot for hunters, and the most prominent rise on the coastal plain for miles, lay immediately to the east of the plateau which contained the artifacts.

During almost two months of digging this summer, the party was constantly beset with raging winds, fog and snowstorms. Their camp was flattened on three occasions.

Dr. MacNeish stressed that they had dug only a minute portion of the area. "It is undoubtedly filled with many times the number of artifacts we have been able to recover so far" he said. "It will be a rich site -- possibly the richest in the north -- for many years to come, and should prove of the utmost importance in tracing the early cultures that lived in our country."

Some of the pottery recovered by Dr. MacNeish is different to any other yet found in the New World, although similar pieces have been unearthed in eastern Siberia. Other pieces of pottery are similar to some previously found in southeastern Manitoba, Ontario and Quebec.

In spite of the fact that the early civilizations which lived on the banks of the Firth River had been relatively close to the ocean no implements were found which would suggest that they had utilized the sea for food.

No complete skeletons were recovered this summer, but Dr. MacNeish is hopeful that future work at the site will uncover some. A party headed by Dr. MacNeish will return to the site next summer.

* * *

INDONESIA REPAYS LOAN: The Minister of Finance announced on October 13 that the Government of the Republic of Indonesia had made the final payment on the \$15,000,000 loan extended to it by the Government of Canada in 1945 under Part II of the Export Credits Insurance Act.

The authorized credit of \$15,000,000 to Indonesia was fully drawn during the period extending from October 8, 1945, to October 8, 1948. The advances made under the credit were consolidated into one debt in 1948 and repayments, which began in 1951, have been made regularly.

NEW RCAF HELICOPTERS: Two new models are to be added shortly to the RCAF's growing fleet of helicopters, it was announced recently by Air Force Headquarters.

RCAF crews expect to fly two H-34 helicopters to Dorval, outside Montreal, from the Sikorsky plant at Bridgeport, Connecticut, within the next few days. Six of these big single-rotor helicopters are on order.

During November the RCAF expects to accept delivery of the first of six Piasecki H-21 B helicopters, from the Piasecki plant at Morton, Pa.

The new helicopters will join other types, obtained last year, on transportation chores during the construction of the Mid-Canada early warning line, being pushed through along Canada's 55th parallel of latitude.

The H-34 is similar in appearance to the S-55, 10 of which are in RCAF use. It is slightly larger, however, and has approximately three times the load carrying capacity of the S-55.

The H-21 B differs only slightly from the Piasecki H-21 A, 6 of which were obtained last year by the RCAF for search and rescue duties. Main difference is in equipment carried, the H-21 A being a search and rescue machine, and the H-21 B being equipped for transport duties.

Until recently, use of helicopters in the RCAF has been restricted to search and rescue operations. RCAF officials state, however, that they are proving invaluable in overcoming many of the transport problems encountered in the building of the Mid-Canada Line. It is expected that helicopters will be required to provide continuing transportation through many stretches of the line after it becomes operational.

* * *

USE OF SAWMILL WASTE DISCUSSED: Means of encouraging the wider use of sawmill waste were discussed at the fifth annual meeting of the Research Co-ordinating Committee on the Utilization of Sawmill Waste for Pulpwood, held on October 18 at the Ottawa Laboratory of the Forest Products Laboratories of Canada.

Main items on the agenda were a review of American developments in handling mill waste for pulp, given by J.A. Holekamp of the American Pulpwood Association, a discussion of the use of planer shavings for pulpwood and a description of the air-aspiration method of separating bark from chips, given by Lee Eberhardt of Bauer Brothers Company of Springfield, Ohio.

Studies of the Forest Products Laboratory of Canada have shown that about one-third of the slabs and edgings left over from sawmill operations in Eastern Canada is not being used at present. The discovery of economic uses for this waste would make sawmill production more efficient and help conserve Canada's forest resources. It is estimated that about 1,000,000 cords of sawmill residue are now being converted into pulpwood annually in Canada.



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NUCLEAR DEVELOPMENT AND PUBLICITY

A REVIEW OF PROGRESS: Addressing the first Committee of the United Nations General Assembly, during the discussion of the progress made during the past year toward the establishment of international control of nuclear energy, the Honourable Paul Martin, Canadian Minister of National Health and Welfare and Chairman of the Canadian Delegation to the United Nations, expressed "a great satisfaction" at accounts of the success of the Conference on the Peaceful Uses of Atomic Energy held in August in Geneva.

Mr. Martin said, in part:

"...In our opinion the principal benefits of this conference, one of the largest and most successful scientific meetings ever held, were threefold:

1. The release to the public domain of a great mass of scientific information which had hitherto been secret;

2. The opportunity for scientists and engineers from all over the world to learn at first hand of the work of their confrères in other lands, and to discuss common problems;

3. The focussing of public attention not only on the role which atomic power is expected to play in the future, but also on the formidable problems which must be overcome before it can be exploited to economic advantage throughout the world.

"Although the discussions on atomic power attracted the widest general attention, the valuable reports of work in such fields as raw materials, basic physics and chemistry, medicine and biology, and the applications of radio-isotopes deserve mention, as do the interesting and useful exhibits of the products of atomic technology arranged by many of the participating nations. . . .

"The political implications of the Conference have not been less significant. There is no doubt that, together with the 'Summit' meeting and the San Francisco commemorative meeting, it was conceived and organized as an expression of a new mood in international affairs, a mood that we hope will not be transitory. With the other meetings just mentioned, the scientific conference provides the proof that when there is a will to co-operate, to approach problems with moderation and in a positive fashion, impressive results can be achieved. . . .

"...At the Ninth General Assembly Canada had the honour to be one of the co-sponsors of the resolution, adopted unanimously, which dealt with the proposed establishment of an International Atomic Energy Agency. What progress has been made in carrying out the terms of the Resolution? If I may borrow a saying from my medical friends, 'slower than hoped for but much better than expected.'

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"The drafting of a constitution which will ensure the establishment of the Agency on a sound foundation, so that it will be able to fulfil its role with maximum effectiveness and with the greatest measure of support from potential member nations, has been admittedly complex and difficult. However, by the time of the Conference on the Peaceful Uses of Atomic Energy in Geneva last August, the work had advanced to the point where the United States representative was able to announce that the eight nations (including Canada) which had been discussing the possible establishment of the Agency had reached agreement on a draft statute and that this draft statute would be distributed to member countries of the United Nations. . . .

"For the present it would seem to be most advantageous to follow the procedure envisaged in the resolution and the one which I am sure will lead most quickly to the establishment of an Agency; the resolution provided in fact 'that the views of members which have manifested their interest be fully considered'. Each nation can therefore assist by submitting comments on the draft statute as soon as possible. The Canadian Government as one of the negotiating states, for its part, will welcome all these comments and consider them most earnestly in reviewing the statute which will ultimately be submitted for individual approval. . . .

CANADIAN DEVELOPMENTS

"I would now like to deal with the Canadian atomic energy programme. Certain of its features are related to the very subjects I have been discussing, and I am hopeful that what I am about to say will receive the particular attention of those nations which are just now launching national atomic energy programmes of their own, and especially of those nations with potential, but as yet unproven or undeveloped, radioactive mineral resources. Such nations are faced with the question of how much external help they should seek or accept.

"...Nuclear research in Canada had its origin over fifty years ago when Ernest Rutherford, working in collaboration with Frederick Soddy at McGill University, announced in 1902 the results of his investigation of the nature of radioactivity, but it was only during the Second World War that Canada first became an active participant with the United States and the United Kingdom in a programme aimed at possible practical applications of atomic energy. During the war, of course, efforts were directed primarily toward the development of the atomic bomb, but, even at that time, the possible application of this tremendous energy source to peaceful purposes was in the minds of all concerned, and it was clear that much of the research on atomic weapons could in due course be put to effective use in pacific projects.

"...Since the end of the war, Canada has carried out a very active programme to find and develop sources of supply of uranium, and by the end of 1957 uranium production in Canada will be over twelve times as great as it was at the end of the Second World War. The annual gross income from that production will be approximately one hundred million dollars, and it will rank in fourth place in the gross dollar value of our metal production.

"...In addition to its raw material programme, Canada has continued a vigorous programme of research and development on the applications of atomic energy. Since the end of the war its programme has been exclusively for peaceful purposes -- power for domestic and industrial use and radioactive isotopes for medicine, agriculture and industry... The centre of this programme is the Atomic Energy Project, located on the Ottawa River near the village of Chalk River and operated by the Government-owned Crown Company, Atomic Energy of Canada Limited. It is engaged in four main activities: 1) development of economic atomic power, 2) fundamental research, 3) operation of nuclear reactors and separation of nuclear fuels, 4) production of radioactive isotopes and associated equipment such as Cobalt 60 Beam Therapy units.

NRX REACTOR

"Canada's first reactor, known as the 'zeep' (which stands for 'zero energy experimental pile'), went into operation in 1945. It operated at a mere 10 watts but made possible studies which were essential to the design of the second reactor, the NRX, which went into operation in 1947. The NRX was a natural uranium heavy-water reactor. It was then, and so remained for several years, the most powerful research reactor in the world. Even today, after eight years, this reactor is playing a leading role and is being used not only by Canada but also by the United States and the United Kingdom for atomic power studies.

"The success of NRX and the demand for still stronger neutron beams for fundamental research and for engineering studies resulted in a decision in 1951 to build another natural uranium heavy-water reactor, known as NRU, which is now under construction and is expected to go into operation in 1956. This reactor will have a neutron flux five times that of the NRX reactor and a power output of two hundred thousand kilowatts. It will produce significant quantities of plutonium and will have advanced experimental facilities.

"Early in 1954 a power-reactor feasibility study was begun at Chalk River in collaboration with a number of Canadian power agencies. As a result of this study it was decided to design and construct a small atomic power station known as NPD -- nuclear power demonstration -- and at the same time to carry out a preliminary design study for a large power station. NPD will be purely an experimental

TRAfalgar Day Celebrations: Ships and shore establishments of the Royal Canadian Navy will join those of Great Britain and other Commonwealth navies in special ceremonial observance of the 150th anniversary of the Battle of Trafalgar, October 21.

Honouring the memory of Admiral Lord Nelson and his most famous and last battle, warships of the RCN in port will "dress overall" with flags and pennants and shore establishments will dress with masthead ensigns. Guards and bands will be paraded, ships' companies will be fallen in at "Divisions" and a Vice-Admiral's salute of 15 guns will be fired at noon.

Retired officers of the RCN and Reserve may wear uniform when attending any function or service commemorating Trafalgar Day.

Observance of this anniversary will also be prominent in ceremonies marking Navy Week, sponsored annually across the country by the Navy League of Canada. Navy Week this year begins on Trafalgar Day, October 21, and continues through to October 29.

Arranged primarily to keep before the public "the tremendous importance of the Navy and the Merchant Navy, on which depend our freedom and way of life, while at the same time honouring the memory of our sailors who died for their country," Navy Week this year will, in addition, mark the 60th anniversary of the Navy League. Church parades, special services, "open house" at Sea Cadet quarters and other events are being arranged to celebrate these two important occasions.

* * * *

CANADIAN FLYERS IN MOROCCO: Canadian fighter pilots of the RCAF's NATO Air Division test and improve their shooting ability at a French air-firing range at Rabat, French Morocco.

An RCAF detachment is permanently located at this French air force base to take care of administrative arrangements for the Europe-based airmen.

Squadrons rotate at the firing range, leaving their air bases in France or Germany early in the morning and arriving at Rabat in time to get on the range the same afternoon.

Maintenance crews are sent by North Star and Bristol aircraft in advance to service the planes as soon as they arrive. Flying is on a seven-days-a-week basis, with groundcrews working 24 hours "on" and 24 hours "off".

The range itself is off the African coast over the Atlantic Ocean. Pilots take turns towing a "drogue" target, while their comrades swoop to the attack. The 30-foot by 6-foot target, with 4-foot bulls-eye, is brought back in and the results of the shooting examined.

The Fighter Wing having the top annual aggregate score wins the Lloyd Chadburn Memorial Trophy, won last year by No. 4 Wing, Baden-Soellingen, Germany.

MARK FAMOUS PORTAGE: An aluminum marker has been set into bedrock on the site of the historic second Chaudière portage along the north shore of the Ottawa River at Val Tetreau, Province of Quebec.

Along the half-mile portage moved nearly all the Canadian explorers and fur traders who followed the canoe route from Montreal to the western plains. The portage, which possibly is the last of the route remaining in its original state on the Ottawa River, felt the steps of Samuel de Champlain, Brûlé, Nicolet, Radisson, Groseilliers, La Salle, La Verendrye, Alexander Henry the Elder and Alexander Henry the Younger, Harmon, Thompson, and Fraser.

The marker, which was erected by the Men's and Women's Canadian Clubs of Ottawa, was unveiled October 5 by Honourable Jean Lesage, Minister of Northern Affairs and National Resources. The portage was declared a historic site by the Historic Sites and Monuments Board of Canada in 1954, and the property that it crosses placed in the custody of the Federal District Commission by its owner, the Gatineau Power Company.

Shown on the large plaque is a fur-trade canoe manned by 14 voyageurs shooting a rapids, while nearby are the actual stone steps and the rock causeway built by the voyageurs to ease the movement of heavy loads over the portage. Another reminder of the 300-year old trail is found near the marker, where two life-sized voyageur canoe paddles rest against a large granite boulder.

Other historic Ottawa river portages have been obliterated by canals, power dams, or industrial sites. Maintenance of water levels has helped protect the site, while youngsters using the portage route to reach the river have preserved its identity.

* * * *

SPECIAL RAM KILLS SHARKS: Responding to an urgent appeal from fishermen the federal Department of Fisheries has devised effective means of coping with basking sharks which, in recent years, have become a growing menace to salmon fisheries in certain parts of the B.C. coast. With the installation of a specially built razor-like ram on the bow of the Fisheries Protection vessel "Comox Post", a heavy toll of basking sharks has been taken in the Barkley Sound area. Reports from fishery officers indicate that since the "Comox Post" was fitted with this equipment 41 basking sharks have been destroyed. A bag of 18 was the highest day recorded.

Damage to gill-nets and trolling gear through basking sharks has been a problem to fishermen for many years. Feeding on the same food as salmon the big animals, some attaining 30 feet in length, frequent the same areas as salmon and are usually at greatest numbers in the height of sockeye salmon fishing.

CANADAIR GETS ATOMIC CONTRACT: Atomic Energy of Canada Limited announced recently that Canadair Limited of Montreal had been awarded a contract to prepare a design and a cost estimate for a "swimming-pool" type reactor. This will be a low-power, low-flux machine and will be used at Chalk River for research related to Canada's power reactor programme. The reactor will probably cost between \$250,000 and \$300,000.

Although the new reactor will be similar in principle to existing "swimming-pool" reactors, it will be specifically designed to determine the extent to which various types of reactor fuels absorb neutrons.

The reactor will consist primarily of a group of fuel elements suspended in an open pool or tank of ordinary water. The water acts as the coolant, the neutron moderator and the shielding.

The tank in this type of reactor is usually a concrete, rectangular structure, much like a swimming pool. The first reactor of this type, the Bulk Shielding Reactor (BSR) at Oak Ridge, Tennessee, has a concrete pool 40 feet long, 20 feet wide, and 20 feet deep. The swimming-pool reactor displayed by the United States Atomic Energy Commission at the International Conference on the Peaceful Uses of Atomic Energy in Canada, and later bought by Switzerland, has its core suspended in a cylindrical steel tank ten feet in diameter and 22 feet high.

The fuel elements of the swimming-pool type reactor are suspended from a structure at the top of the tank. The elements are held together to form a "core" about two feet by two feet by three feet, the size varying by a few inches in the various existing pool reactors.

* * * *

ROYAL CANADIAN NAVY CADETS ENROLLED: Ninety-one young men from across Canada have been enrolled in the Royal Canadian Navy as cadets under terms of the Regular Officer Training Plan at the three Canadian Services Colleges.

The Services Colleges are Royal Roads, near Victoria; Royal Military College, Kingston, and Collège Militaire Royal de Saint-Jean, Saint-Jean, Quebec. Under the Regular Officer Training Plan, cadets are maintained at the colleges at government expense and upon graduation join the Services as regular force officers.

Royal Military College has 26 new naval cadets; Royal Roads, 22, and Collège Militaire Royal, 43.

Of the cadets beginning studies at the Services Colleges, 36, including 25 French-speaking young men, are from Quebec Province, 27 are from Ontario, 14 from the Prairies, eight from British Columbia and six from the Maritimes.

BIRTHS HIGH, DEATHS LOW: A record 435,142 births were registered in Canada in 1954, 18,317 or 4.4 per cent higher than the previous record of 416,825 in 1953. This is the sixth consecutive annual increase from the 358,941 registered in 1948, or an average annual increase of 12,700 or 3.5 per cent per year.

The national birth rate, at 28.7 per 1,000 population, was the third highest on record since national vital statistics have been compiled (1921); it has risen steadily for the fifth consecutive year from 27.1 in 1950 and was only slightly below the previous record rate of 28.9 in 1947 and 29.3 in 1921. In 1953 it was 28.2.

Canada's death rate dropped to the lowest point on record in 1954. At 8.2 per 1,000 population, it compared with 8.6 in the preceding year and represents the eleventh consecutive annual decrease from the 1943 rate of 10.1, a decline of almost 20 per cent in a little over a decade. The decline in 1954 resulted from a drop in deaths to 124,520 from the record high total of 127,381 in 1953.

There were declines in rates from 1953 in all provinces except Newfoundland and Prince Edward Island. Provincial rates varied from 7.2 in Saskatchewan and Alberta to 9.8 in British Columbia, which has the highest proportion of all provinces of aged persons in its population.

* * * *

CIVIL SERVANT HONoured BY U.S.: Believed to have been the first occasion in which federal civil servants of the United States thus honoured a civil servant of Canada, a unique ceremony took place in Ottawa recently when the Department of Transport's retired Controller of Telecommunications, G.C.W. Browne, was presented with a scroll and a wrist watch from his many friends and acquaintances in Washington. The presentation was made by Philip S. Bogart, Transport and Communications Attaché of the United States Embassy in Ottawa, on behalf of United States officials in the communications field of the State Department, Military Services, Coast Guard, Civil Aeronautics Administration, as well as Federal Communications Commission, the Department of Agriculture and the Department of the Interior.

* * * *

BIG YEAR FOR TREE NURSERY: From the Provincial Forest Station at Midhurst, Ontario, a record 11,000,000 trees were shipped this year to permanent planting sites in the province. Approximately 7,000,000 of the nursery's trees went to private landowners to establish woodlots, shelter belts etc., and the rest to Government projects.

In addition to nurseries, the Midhurst station operates the Springwater Park and Trout Rearing Station, from which speckled trout yearlings have been planted in suitable streams.

FAO CELEBRATES ITS TENTH BIRTHDAY

PEARSON WELCOMES DELEGATES: Since his current tour through the U.S.S.R., and the East precluded his presence at the decennial meeting of the Food and Agriculture Organization in Quebec on October 15, Mr. L.B. Pearson, Canada's Secretary of State for External Affairs, prepared a recording that was played to the delegates. ". . . I am about as far from Quebec as any Canadian can well be - in Singapore," he said, "where we are discussing future work under the Colombo Plan, something which, of course, has a direct relationship to what the FAO has been doing over the last 10 years." Mr. Pearson said that he was glad to be able to deliver his greetings by radio, "especially to old friends with whom I attended the Conference at Quebec 10 years ago, when FAO was born."

The body of this speech follows:

". . . Although in 1945, when FAO began its task, we were under no illusions that the task would be easy or simple, I imagine that no one at that time could have anticipated the complexity of the issues and problems ahead. FAO was the first of the Specialized Agencies to forge its constitution, its procedures and its policies. It did not have too much to go on; but I think that its experience has not only been encouraging in itself but also helpful to the other Agencies which came later.

NO SHORT-CUTS

"Looking back from the advantage of hindsight, we may have been somewhat over-optimistic in 1945 about what could be done and when. We have since discovered, for instance, that widespread fundamental changes in agricultural methods and in production generally cannot occur over a year or so, or perhaps indeed even over a generation. We have found that there is no short-cut, or at least no quick and effective short-cut, from primitive methods to those of the twentieth century.

"Many of the problems, if not most of them, which faced FAO in 1945, are still with us, in spite of the great energy and the technical skill with which FAO has conducted its operations. A good beginning, however, has been made in solving these problems. FAO has won its spurs, or as I might more appropriately put it in Quebec, 'elle a gagné ses épaulettes'.

"A better understanding now of the complexity of the problems with which the FAO is confronted has resulted, of course, in changes both in its objectives and policies. These are now much more clearly defined and understood than in the early days. The organization is still concerned with the relationship of production to population but, if I understand correctly, is now able to direct more effort to the actual technical problems of production specific to certain areas.

"FAO has also been able to fashion over these ten years a much more effective working relationship with other Specialized Agencies, notably the WHO, than could have been anticipated to be necessary in 1945. It is no longer considered to be paradoxical that the World Health Organization should be trying to increase the total world population while, on the other hand, FAO has been waging a long and difficult battle to provide adequate sustenance for the world population. The paradox is, of course, superficial. If disease, infant mortality and a low expectation of life can be remedied, then in those vast areas of the world, where these conditions persist, the increased productivity from a healthy population should take care of the demands of the expected increase in population.

"During this decade the FAO has gained the confidence of an increasing number of peoples and governments, upon which ultimately the success of its operations must depend. It has had the good fortune, and the good sense, to conduct its important affairs very largely in a non-political atmosphere; and its objectives have been so well defined and so sensibly stated that they could be accepted, even by governments inclined to be watchful for and suspicious of political motives.

FAO'S PROUD RECORD

"We can rightly claim that the FAO, just as it was the first, is surely one of the most effective Agencies established under the direction of the United Nations; that its work has been of far reaching importance in freeing man from one of his worst fears -- that of hunger and want.

"Ten years ago when, as Chairman of the Conference, I brought this first session to a close, I said that 'if humanity should acquire some trace of sanity and bring social progress in line with scientific development. . . . then the work we have done at Quebec will have made a worthy and permanent contribution to man's long effort to move upward from the jungle of hatred, suspicion and death, where so many powerful and frightening influences even today are working to keep him mired'. It is depressing to realize that I could use much these same words in speaking to you this evening. Certainly in the intervening years we have not yet been able 'to bring social progress into line with scientific development,' though progress has been made. That the process has not been completed is no fault of the FAO and of its wise and devoted directors and officials.

"It only remains for me now to congratulate you with all my heart on the undoubted achievements of your first decade, and to express the fervent prayer that you may be left in peace for the next 10 years to get on with your constructive and humanitarian tasks."

NUCLEAR DEVELOPMENT AND PUBLICITY

(Continued from page 2)

power station and will generate from 10,000 to 20,000 kilowatts of electric power. It is scheduled to go into operation in 1958 and will be located at the power station of the Hydro-Electric Power Commission of Ontario near the village of Des Joachims on the Ottawa River about 150 miles northwest of Ottawa -- some twenty miles from Chalk River. The NPD is not expected to generate electricity at a cost competitive with that produced by hydroelectric or conventional thermal stations but will provide information and operating experience for a large-scale plant and give practical information on the economics of power production from reactors of this type.

"Only last week the Canadian authorities announced that they will build another experimental reactor at Chalk River. This is to be a swimming-pool type of reactor of low power and low flux and is intended primarily for studies of the absorption of neutrons by various types of reactor fuels. At the same time the Canadian authorities said that additional test equipment will be incorporated in the NRU reactor and this will permit the testing of uranium fuels and fuel assemblies in the interior of the reactor under a variety of conditions. These two additions to the experimental equipment at Chalk River will greatly increase the effectiveness of test facilities for reactor development in Canada which, in some respects, are already unique.

ISOTOPE PRODUCTION

"Canada has developed a large radioactive isotope production programme and has pioneered in the use of radioactive Cobalt 60 in therapy units for the treatment of cancer. These therapy units have been placed in upwards of thirty hospitals in Canada, the United States, the United Kingdom, France, Italy and Brazil. Last year Atomic Energy of Canada Limited made 1,200 shipments of various isotope products. We are certainly bent on making available whatever technical ability we have in this capacity to every country..."

"...I know of no better way to conclude what I have to say than to quote the words used by the distinguished Indian scientist, Dr. Bhabha, who presided at the Geneva Conference: 'It is to be hoped that through the remarkable improvement in the political climate which has taken place recently, and which we hope will continue, the barriers which remain will gradually disappear altogether. If so much has been achieved through the individual and isolated efforts of a few countries, how much more could be achieved by the combined effort of all. Those who have the good fortune to participate in this Conference are privileged to be in the vanguard of the march of history. We have the unique opportunity of

giving of our knowledge to others for the common good. I hope this Conference will play its part in helping the progress of mankind towards the ever-widening dawn of the atomic age, with the promise of a life, fuller and happier than anything we can visualize today."

* * *

MODEST CNR SURPLUS FORESEEN: Canadian National Railways will end 1955 "in the black", but the surplus will be "a very modest one", according to a forecast made recently in Montreal by Donald Gordon, chairman and president of the CNR.

Speaking to the Montreal Chambre de Commerce, Mr. Gordon discussed the CNR's financial status, described the system's policy on extension of existing rail lines and construction of new branch lines, told of its role in the development of Canadian resources and reviewed new steps in the company's operations in the Province of Quebec and the City of Montreal.

On finances, Mr. Gordon said there was no use pretending that the modest surplus which he forecast would represent an adequate return on investment for a business with assets of more than \$3 billions.

"No businessman," he added, "would be satisfied with the kind of return on his capital investment that we are likely to make. However, it is a sign, I hope, of things to come, for even if a modest surplus can be repeated or bettered year by year, all of us -- as Canadians and therefore shareholders in Canada's biggest industry -- will have some reason for satisfaction."

Contributing to the deficits shown in past years had been the capital debts inherited by the CNR when it was formed, costs of rehabilitation, and expansion carried out for reasons of national policy in conjunction with the development of the nation. But reasons of national policy were "largely forgotten when people read our annual financial statement". There had never been an item in the CNR's balance sheet marked "national policy", Mr. Gordon added.

* * *

FREIGHT CARS ALUMINUM-ROOFED: Aluminum roofs for railway freight cars will become a reality in Canada with the delivery of 1750 units now on order by the Canadian National Railways.

The aluminum roof weighs about 700 pounds as compared with the ton weight of the standard steel-roofed car. Savings result in the reduction of locomotive fuel costs and the greater ton-loading capacity of the cars.

The quantity use of aluminum roofs results from 10 years experiment by the Canadian Pacific and Canadian National Railways.



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CIVIL AVIATION IN CANADA'S NORTHLAND

A MAJOR FEAT: The development of civil aviation in Canada's northland will stand as one of the "major events of this generation" according to the Minister of Transport, Mr. George E. Marler, who has recently returned from an extensive tour of governmental installations in the Canadian north. In the course of an address before the local Board of Trade in the Bessborough Hotel on September 29, following the official opening of the new Saskatoon airport terminal building, he pointed out that one of the chief undertakings in the north "was the construction of the DEW line (distant early warning line) and that construction of the line necessitated the inauguration of an extensive air life for the movement of freight from southern portions of the country to various northern points, and this work has been and is being carried out most efficiently by our Canadian carriers who have, so far, transported by air approximately 17,000 tons of cargo required for DEW line operations".

Mr. Marler named a number of "excellent airports" within the northland which he said "are helping to open up the last North American frontier, the Canadian Northland". These he listed as Whitehorse and Smith River in the Yukon Territory, Norman Wells near Great Bear Lake, Yellowknife and Fort Resolution on Great

Slave Lake, Coral Harbour on Southampton Island north of Hudson Bay, Frobisher on Baffin Island and Chimo on Ungava Bay.

"Thanks to these airports, to the weather stations located in this vast area and to improved communications and air control facilities, a flight inside the Arctic Circle has become almost routine for many Canadian carriers" Mr. Marler said. He gave credit to the RCAF which, with the co-operation of other departments, had painstakingly been making an aerial photographic survey of the north. This, he said, "afforded invaluable aid to air navigation".

In discussing aviation developments in the Canadian northland, Mr. Marler mentioned the fact that "as recently as June 3, Canadian Pacific Airlines commenced regular flights from Vancouver to Amsterdam, over a great circle course, passing over Churchill, Manitoba, and touching down if necessary on the west coast of Greenland".

Mr. Marler quoted figures to show that Canada was "credited with having 84 airports of international or national importance which is equal to about one such airport for every 200,000 of population". According to the same classification of importance, the United

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(C.W.B. October 12, 1955)

MINISTER OF NATIONAL DEFENCE VISITS EUROPE:

The Minister of National Defence, Mr. Ralph Campney, accompanied by the Chairman Chiefs of Staff, General Charles Foulkes, left for Europe September 30.

They will visit Greece and Turkey to discuss with defence authorities of each mutual NATO defence matters including Canadian air training and the use being made of Canadian Mutual Aid equipment.

Turkey and Greece have each been allotted, in addition to other equipment, over 100 F-86 Sabre jet aircraft during the past two years. Each country has a number of aircrew attending Canadian air training schools under Canada's NATO air training scheme.

This will be the first visit of a Minister of National Defence of the Canadian Government to either country since they joined the NATO Alliance early in 1952.

Following their visit to Turkey and Greece, Mr. Campney and General Foulkes will attend the NATO Defence Ministers' Conference to be held at Paris from October 10 to 13.

* * *

DOUBLE TAXATION AGREEMENT SIGNED: The Department of External Affairs announced on September 30 that an agreement between Canada and Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was concluded in Ottawa on September 30. His Excellency O. Sehested, the Danish Minister, signed for the Government of Kingdom of Denmark and the Honourable Walter E. Harris, Minister of Finance, signed on behalf of the Canadian Government.

The agreement provides generally that each country retains the right to tax income leaving that country, while at the same time undertaking to grant relief from taxation on income in respect of which a tax has already been imposed in the other country.

The agreement will come into force in Canada on the first day of January, and in Denmark on the first day of April, in the year in which the instruments of ratification are exchanged. This exchange of instruments will take place in Copenhagen.

* * *

TIME LOSS FROM INDUSTRIAL DISPUTES: Time loss arising from industrial disputes in Canada during August showed a slight drop from the figures for the previous month, according to a preliminary summary of strikes and lockouts released on September 27, by the Minister of Labour, Mr. Milton F. Gregg.

Preliminary figures for August showed 25 work stoppages in existence during the month involving 6,442 workers and a time loss of 92,525 man-working days, as compared with 32 stoppages in July with 10,913 workers involved and a time loss of 96,335 days. In August 1954, there were 20 strikes and lockouts involving 3,959 workers and a time loss of 48,210 days.

U.N. PANEL OF ENQUIRY AND CONCILIATION:

The Department of External Affairs announced on September 28 that five persons have been designated by the Government of Canada to serve as members of the United Nations Panel of Enquiry and Conciliation: Senator L.M. Gouin; Senator Norman P. Lambert; The Hon. Chief Justice Sir Albert Walsh; the Hon. Chief Justice Sherwood Lett; Mr. R.M. Fowler. Senator Gouin, Senator Lambert and Chief Justice Walsh have been members of the Panel for the past five years, and Mr. Fowler and Chief Justice Lett have been designated to replace the two other original members, the Rt. Hon. Vincent Massey and the Hon. Chief Justice J.L. Ilsley.

On April 28, 1949, the United Nations General Assembly adopted a resolution providing for the creation of a panel for inquiry and conciliation to be available to any states involved in controversies, and to the General Assembly, the Security Council, and other subsidiary organs when exercising their respective functions in relation to disputes. Each Member State was invited to designate from one to five persons deemed to be well-fitted to serve as members of commissions of inquiry or of conciliation.

* * *

GERMAN GRAIN DELEGATION VISITS CANADA:

Three senior officials of the Ministry of Food and Agriculture in the Federal Republic of Germany, Dr. H. Winkelstem, Head of the Grain Section, Ministry of Food and Agriculture, Bonn; Herr H. Gebhardt, Head of the Section for Foreign Trade with Dollar and Sterling Areas, Bonn; and Herr Albert Holste, Assistant to the Director of the Import and Stocking Office for Grain, Frankfurt, arrived in Ottawa on October 3 for discussions with officers of the Departments of Trade and Commerce and Agriculture. They arrived in Vancouver on September 11 by air from Amsterdam on the invitation of the Canadian Wheat Board, and have been making first-hand studies of the production, grading, milling, storage and merchandising of Canadian wheat and other grains. During their stay in Ottawa, they will visit the Central Experimental Farm, where they will study plant breeding work being undertaken there.

An invitation was extended to the Government of the Federal Republic of Germany last year to send three representatives to Canada. Owing to the sudden deterioration in the German grain crop, the delegation selected was unable to come to Canada.

After inspecting the grain elevators and port facilities in Vancouver, the three visitors travelled through the Rockies by train and made a tour of Southern Alberta and Saskatchewan, where they were able to observe the grain handling facilities during the period in which harvesting operations were in full swing.

ST. LAWRENCE SEAWAY AND POWER PROJECT

TWO-WAY TRAFFIC NEEDED. The Minister of Transport, Mr. George C. Marler, predicted that Chicago would greatly benefit from the St. Lawrence Seaway when completed but stressed the necessity of providing two-way traffic for shipping. Addressing a joint luncheon gathering in Chicago of the Chicago Association of Industry and Commerce and of the Canadian Chamber of Commerce, on September 30, he said he looked on the Seaway project "as a great thing in the future of our two countries and in your case particularly for the areas which it is to serve directly".

Indicating as an example the port of Montreal, which he said "has always been a great port", Mr. Marler pointed out that it "provides the great advantage, not only of modern facilities for loading and unloading, but the ability to take full cargoes and to provide full cargoes in return. When, after the Seaway is ready, you create this same situation in Chicago or in your other American ports on the Great Lakes I am sure that you will see an increased volume of shipping coming into your waters".

REAL TEST

The real test, in the Canadian Minister's opinion, was "not the enthusiasm with which a local community may contemplate the construction of new wharves and piers and the installation of unloading equipment, but that port development must rest upon the firmer foundation of available traffic". In Mr. Marler's opinion, "the populous territory located in close proximity to the deep waterway or having ready access to it, seems very likely to generate the kind of two-way traffic that promotes the movement of shipping."

"There must be a large volume of exports that now move out of this territory by other means of transport and through your Atlantic ports, and I have no doubt that correspondingly, this territory uses a substantial quantity of goods and material that are imported by other routes", Mr. Marler said. In his opinion, the great question was whether "this traffic can be co-ordinated and whether the territory can provide an attractive volume of freight to be carried out of your ports by the vessels that account for incoming traffic, or vice versa".

In detailing the volume of construction and dredging necessary to the huge engineering undertaking associated with both the navigation and hydro-electric developments under the St. Lawrence Seaway project, both in the international and the all-Canadian sections, Mr. Marler said that the latest available cost

estimates was \$281,258,000, "of which Canada's share is to be \$200,000,000 and yours \$81,258,000". The dimension of the respective investments of the two countries he said, "certainly would in these days entirely justify the introduction of tolls for the new facilities".

In enlarging on the matter of charging shipping tolls as a means of recovering the cost of building the Seaway, Mr. Marler pointed out that "the present facilities are toll free and are used freely and without charge both by Canadian and American shipping and by ships of other nations," although both the United States and Canada had spent many millions of dollars in providing canals and locks and deepening the channels and the lower river.

TOLLS JUSTIFIED

"When the legislation authorizing the construction of the Seaway was voted by the Parliament of Canada and when the Wiley-Dondero Act was passed by your Congress, provision was made for the imposition of tolls in respect of the use of the new facilities", Mr. Marler said. He pointed out that imposition of tolls for the rather expensive facilities that were now being built by governments or other public authorities had become general and "it is not surprising that our legislators believed that the new facilities should be self-liquidating, though the tolls were to be fair and reasonable".

Mr. Marler predicted that so far as the grain trade was concerned, there would probably be "a more extensive use of lakers for the transport of goods over the waterway". He could see no reason why the Seaway should interfere with the tremendous bulk movements that was now being carried on of iron ore, stone and coal but anticipated that an increased volume of iron ore "should move up the Seaway from Seven Islands in the Gulf of St. Lawrence from which our Ungava and Labrador ore is being shipped".

The crucial question in shipping, according to the Minister, was whether there would be a change in the pattern so far as overseas traffic was concerned: "I am told that it is expected that in the current year some 325 vessels and about 300,000 tons of general cargo will move from Chicago and other lake ports direct for Europe. This perhaps is small in relation to the whole, but I think, when the Seaway is opened and deep water facilities are available, there will be a further growth and traffic will become more significant".

CIVIL AVIATION IN CANADA'S NORTHLAND*(Continued from page 1)*

Kingdom and Italy have each approximately one such airport to every million of population. In France the ratio was one per 1,300,000. With this ratio, Mr. Marler thought France could "afford terminal buildings such as we find at Orly and Le Bourget in Paris". Canada with merely 200,000 of population for each airport of national or international importance cannot be "expected to scatter Orlys and Le Bourgets right across the country".

Mr. Marler used these comparative figures to emphasize the "magnitude of our financial responsibilities" in operating more than 100 airports and assisting many others financially or otherwise. He pointed out that "a larger population and a smaller area also gives European air carriers the undisputed advantage of covering shorter routes for a greater number of potential passengers. We see, therefore, that compared to these European countries to which I have referred as well as many others, Canada with its smaller population, its far greater area, and its more numerous airports, has been faced, and is still faced, with an enormous financial burden in aviation".

In the Minister's opinion, his department had been fully justified in having placed "greater emphasis on the extension of the facilities required for aircraft and for the safety of flying". In spite of this "safety first" emphasis, Mr. Marler said that the Department of Transport was not neglecting the construction of terminals.

"Work has begun on excavations and foundations for the new building at Montreal's Dorval airport, and a contract has been awarded for the erection of the steel structure" said Mr. Marler. "Tenders are at present being called for the construction of a new terminal at Gander and will be called in the near future for a modern terminal at Quebec. The design for the new building at Ottawa has been completed, and work there should begin some time in the new year. At Malton airport, in Toronto, more commodious facilities for travellers will be constructed during the coming months, pending the erection at Malton of an entirely new terminal. In addition the Department has under active consideration the needs for terminal facilities at several other important airports including Regina."

* * *

CP DIRECTOR SUCCEEDS FATHER: During the semi-annual meeting of The Canadian Press held recently at Charlottetown, Prince Edward Island, K.R. Thomson of Thomson Newspapers was elected to fill the vacancy on the 19-man CP Board of directors created by the resignation of his father Roy Thomson. The younger Mr. Thomson was already CP member for the Kirkland Lake Northern News.

BIG INCREASE IN MOOSE: A scant five years after Ontario's moose population was in such serious danger of depletion that a two-year ban on all moose hunting was necessary, the Department of Lands and Forests is able to announce greatly liberalized open seasons for 1955. The move, officials say, is not only feasible now but, in most areas, highly desirable.

"With considerably more liberal seasons than last year, there probably has never been such 'wide open' authority for hunters to kill moose since legislation to regulate the kill of these animals was first adopted in Ontario" says Sault Ste. Marie District Forester A.J. Herridge.

"With the moose population in 1949 reported in danger of depletion, not a moose licence was sold in Ontario to either resident or non-resident hunters in 1949 or 1950. Now, only five years later, legislation has been passed that throws almost all of Northern Ontario open to moosehunting in one form or another.

"In many sections non-residents as well as residents will be permitted to hunt moose (always provided they can pay \$101 for a licence), and over large areas these same non-residents will be granted permission this year to go after not only bull moose but also cows and calves.

"Is this wise? First, how many moose are there in Ontario? What's the stock in hand? According to the most recent and most accurate information available, there were about 42,500 moose in the Province at the beginning of this year. Last year there were an estimated 42,000. Of these, about 2,000 were taken by 8,237 hunters."

* * *

SEA LION HUNT: A sea lion hunt on the British Columbia coast recently yielded a total bag of 49 sea lion bulls which produced 25,000 pounds of meat and 40 potentially usable skins. The meat was frozen and placed in cold storage in Vancouver, B.C., where it is in process of marketing as mink feed. Skins have been treated with preservative. So far no uses have been found for the hides of sea lions but experiments will be made in an attempt to utilize this batch on a commercially profitable basis.

Captain Walter Steen, of Vancouver, obtained special permission from the federal Department of Fisheries to undertake the operation. In granting the permit the Department took into account the fact that sea lions are a menace to fisheries and have been the cause of numerous appeals from fishermen for government assistance in reducing the herds. Voracious feeders on salmon, halibut, cod, herring and other fishes, sea lions will take fish already gilled in nets or caught on trolling gear, causing heavy losses of fish and damage to gear.



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WORLD HOPES OF DISARMAMENT BRIGHTER?

NEW SPIRIT ABROAD: "...I believe there is something alive in the Geneva spirit -- or at least the germ of something which can come alive if it is only nourished," declared the Honourable Paul Martin, Minister of National Health and Welfare and Chairman of the Canadian Delegation to the United Nations, on September 26, during the debate in the Plenary Session of the General Assembly. "If it is too early to say that confidence has been re-established -- or perhaps one should say 'established', for international confidence would be something quite new in the history of the world -- one can at least say that there is evident a search for confidence, a struggle for mutual understanding which did not exist before."

The trouble in the past, Mr. Martin continued, had consisted less in the "matters at issue" themselves than in "the absence of any real anxiety to solve them". He found encouragement now in the fact that the leaders of the larger nations especially appeared willing to meet each other in a spirit of true give and take. Mr. Martin went on to develop this view of the improved situation as follows:

"...Confronted by the appalling spectre of disaster, the world has sobered up in the nick of time.

"...It seems to us that the most hopeful augury for this session is the fact that, both here and in such important organs of the Assembly as the Sub-Committee on Disarmament, there is evident the desire to state as

straightforwardly as possible positions sincerely held rather than to establish propaganda positions or to score debating points. If we carry on in this way, there is no limit to what we can achieve in the United Nations.

"...I realize that all of us in this Assembly are fully aware of the difficulties to be surmounted in reaching a general agreement on major reduction of armed forces and conventional armaments and the prohibition of atomic weapons. The reductions and prohibitions must be so co-ordinated and scheduled that no nation, at any stage in the process, will have genuine cause to fear that its security is endangered. In the course of our Sub-Committee meetings progress has been made towards an agreed position on this important question of the time-table or schedule of reductions and prohibitions.

"However, the whole question of an effective arrangement to guarantee the fulfilment of any undertaking to prohibit atomic weapons must now be considered in the light of the fact, admitted by all concerned, that secret evasion of any agreement for total prohibition of atomic weapons would, in the light of present knowledge, be possible, however stringent the control and inspection might be. It was partly in order to meet the difficulties on this key problem of control and inspection that a number of new proposals were advanced at the Geneva meeting.

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NRX BACK IN OPERATION: The NRX reactor at Chalk River is back into operation after a seven-week shutdown. W.J. Bennett, President of Atomic Energy of Canada Limited, announced recently.

A special fuel rod that was being tested damaged an aluminum tube in the reactor tank, contaminating the heavy water moderator and sprinkling small chips of plutonium fuel on the bottom of the tank. Automatic devices shut down the reactor immediately and the main operating room did not become contaminated with radioactive material.

This breakdown was in no way comparable to the breakdown of December 12, 1952, when a power surge damaged several fuel rods and the reactor had to be extensively decontaminated and reconstructed. Additional safety devices were built into the reactor during the reconstruction and modification made it possible to operate the reactor at a heat output of 40,000 kilowatts, 33 per cent higher than was possible before the reconstruction. These safety devices performed as planned when the test fuel rod failed seven weeks ago, thus preventing serious damage to the reactor.

SPECIAL DIFFICULTIES

While extensive damage was not experienced in the recent shutdown, the decision to speed the repair job by carrying out the work without dismantling the reactor made operations difficult. Thick concrete and steel shields above the reactor tank, which weigh up to nineteen tons each, made it necessary to carry out repairs from a considerable distance. Some idea of the difficulty of the repair operation may be gained from the fact that skilled tradesmen were restricted to working through a two-and-one-half inch hole at distances up to 28 feet from the damaged part of the reactor.

Chips of plutonium fuel resting on the inside bottom of the reactor tank (which is known as the "calandria") had to be removed before the repair of the tank proceeded. When ordinary water failed to flush the chips off the bottom of the tank a chemist recalled the principle of a Christmas table decoration. The latter consists of a bowl containing a mixture of water, baking soda and vinegar. When moth balls are dropped into the bowl bubbles of gas adhere to them and lift them off the bottom.

A similar principle was used to clean off the bottom of the NRX tank. Six thousand gallons of soda water were run through the tank. Gas bubbles from the soda water formed on the fragments and lifted them off the tank bottom, thus allowing them to be flushed out.

The heavy water contaminated by the test fuel rod is now being purified at Chalk River. It will be used in the new NRU reactor which is now under construction. A new charge of heavy water was put into NRX.

COUNT MARRIED WOMEN WORKERS: Hon. Milton F. Gregg, Minister of Labour, announced on September 20 that the Department of Labour, through its recently-organized Women's Bureau, is planning to undertake a survey of married women working for pay. The questions for the survey were drawn up after careful testing in which the Women's Bureau was assisted by a number of voluntary women's organizations. The field work for the survey and the compilation of results are expected to take several months to complete.

The survey will be conducted through the schools of social work and other departments of several Canadian universities. Mr. Gregg said that the survey was the first of its kind ever undertaken in Canada and that it was important because of the large and growing participation of married women in the Canadian labour force. He said that there were more than 400,000 married women working for pay in Canada, which amounted to about every third woman in the labour force.

AIMS OF SURVEY

The survey is being conducted with three general aims in mind. The first is to find out the types of jobs performed by married women in the labour force and their attitudes and plans in relation to their jobs. They will be asked about their training and experience to find out if they have occupational qualifications that are not being utilized in the jobs they are doing. The second general aim is to relate the patterns of work to family and household responsibilities in regard to such things as the provisions being made for the care of children while mothers are working and the effect of the mother's employment on home and family life. The third general aim is to find out as much as possible about their reasons for working and whether or not they plan to continue working.

A meeting of representatives of the organizations concerned with the planning and conduct of the survey was held in Ottawa on September 16. The other government departments and agencies that assisted in the planning were: the Dominion Bureau of Statistics; the Department of National Health and Welfare; and the Unemployment Insurance Commission. The survey is being conducted by the Women's Bureau through the Maritime School of Social Work in Halifax, and the Schools of Social Work and other departments of Laval University, University of Montreal, McGill University, the University of Toronto, the University of Manitoba, the University of Saskatchewan, the University of Alberta, and the University of British Columbia.

Canadian manufacturers shipped \$4,424,442,-000 worth of products in the first quarter this year, \$228,397,000 worth more than in the January-March period last year.

ITALIAN AWARD TO CBC PROGRAMME: A CBC programme, "Birds of the Forest", has been awarded the internationally-recognized Italian Press Association prize for documentary radio programmes. This award is offered annually to major radio organizations participating in the Italia prize international competition for radio works. This is the first year the CBC has been represented in the competition.

"Birds of the Forest" is a presentation of bird songs, most of which were recorded by Dr. William Gunn of the Federation of Ontario Naturalists. The programme was written, narrated and produced by Thom Benson of the CBC outside broadcasts department, and was originally presented in the BBC radio documentary series "Canadian Scene." In addition, it has been heard twice on the BBC, twice on the Italian Radio, as well as in the United States and over the Swiss broadcasting system. Recordings of this programme were presented by the CBC to the Queen Mother of the Belgians, who requested them after hearing the programme on one of its European broadcasts.

* * * *

BIRTH REGISTRATIONS AT HIGH: Birth registrations reached an all-time high for a month in August, DBS reports. Seven of the ten provinces had increases, bringing the national total to 41,598 as compared with 37,837 in August last. For the country as a whole 298,365 births were registered in the first eight months this year, an increase of 3.7 per cent over the preceding year's 287,846. There were increases in all but three provinces.

Death registrations reached a five-year high for August at 10,533 and compared with 10,206 in July and 9,612 in the corresponding month last year. January-August registrations rose to 86,130 from 82,786.

Marriage registrations in August dropped to 13,086 from 13,942 in July and 13,255 in the corresponding month last year. The cumulative total of 73,868 for the first eight months of this year was 2.7 per cent under the 1954 total of 75,946.

Birth registrations in August were as follows by provinces: Newfoundland, 812 (798 a year ago); Prince Edward Island, 288 (214); Nova Scotia, 1,535 (1,565); New Brunswick, 1,671 (1,470); Quebec, 13,437 (11,367); Ontario, 13,141 (12,571); Manitoba, 1,819 (1,997); Saskatchewan, 2,297 (2,383); Alberta, 3,341 (2,797); and British Columbia, 3,257 (2,675).

There were an estimated 535,000 ducks on Canadian farms at the start of June this year, 45,000 or 9 per cent more than at June 1, 1954. The only decrease from a year earlier was a 7 per cent drop in British Columbia. Largest gain was a 20 per cent increase in Ontario.

NEW DEFENCE LABORATORY: A central laboratory building at Suffield Experimental Station, Suffield, Alberta, will be opened officially September 29.

Facilities of the 1,000-square mile establishment, the Defence Research Board's largest station, are employed for experimental and trials' activities related to the defensive aspects of biological, chemical and radiological warfare. The staff scientists work closely with the Canadian Armed Forces and colleagues in the same fields in the U.K. and the U.S.A.

The large, T-shaped, masonry structure was designed especially to fill the station's requirements. It is believed to be the largest modern laboratory in Western Canada.

Eight sections, involving a variety of scientific fields, are housed on four working floors. An additional floor at the top of the building contains ventilation installations, a transformer and other services.

The laboratory accommodates also station headquarters, the scientific administrative staff, a Canadian Army liaison office, a library and other auxiliary services associated with the establishment's programme. A spacious conference room and a projection room will be used extensively for scientific discussions and films of trials and research and development techniques.

Adjacent and older structures, erected during the last war, will continue to house the general administrative staff and field trials' facilities. Others accommodate the fire department and similar services necessary for the maintenance of the station including Ralston village, the Crown community adjacent to the establishment.

The \$1,500,000 building contains a diversified range of interesting scientific installations. One is an electron microscope with a magnification power of 20,000. It makes possible microscopic studies that could not be carried out with standard instruments.

In a nearby building associated with the central laboratory is a Van de Graaff generator which can impart 2,000,000 electron volts of energy to atom components. It is used extensively for radiological studies. The generator is housed within 2½-foot thick concrete walls, and an equally thick ceiling, to prevent any unacceptable increase in the radiation background.

A group of invited guests, including scientists and service representatives from the U.K., the U.S.A. and Canada, will tour the new laboratory.

At the start of June there were an estimated 357,000 geese on farms across Canada, 9,000 or 2 per cent less than at June 1, 1954. There were 11 per cent fewer in Ontario and 7 per cent less in Quebec, but other provinces had as many or more than a year earlier.

U.S.-CANADA COMMITTEE CONFERS

TOP TRADE MEETING: Following is the text of a joint communique issued simultaneously in Ottawa by the Department of External Affairs and in Washington by the United States Department of State:

The Joint United States-Canadian Committee on Trade and Economic Affairs, which met in Washington in March 1954, held its second meeting in Ottawa today. The United States was represented by: the Honourable John Foster Dulles, Secretary of State; the Honourable George M. Humphrey, Secretary of the Treasury; the Honourable Ezra Taft Benson, Secretary of Agriculture; the Honourable Sinclair Weeks, Secretary of Commerce.

Canada was represented by: the Right Honourable C.D. Howe, M.P., Minister of Trade and Commerce and Defence Production; the Right Honourable J.G. Gardiner, M.P., Minister of Agriculture; the Honourable L.B. Pearson, M.P., Secretary of State for External Affairs; the Honourable W.E. Harris, M.P., Minister of Finance.

This Committee was established by the United States and Canadian Governments to provide an opportunity for cabinet members of both countries concerned with economic and trade matters to meet together periodically and review developments of common interest. Its existence symbolizes the close and friendly relations existing between the two countries and is evidence of the interest which each country has in a great number and variety of economic questions affecting the other. Its meetings supplement and reinforce the daily exchanges which take place between official representatives and between private citizens of the two countries.

At today's meeting the exchanges of views dealt mainly with general commercial policies and prospects, with progress being achieved in dealing with broad international trade and payments problems, and with policies relating to trade in agricultural products.

The Committee emphasized the importance of encouraging a large and growing volume of mutually beneficial trade between the United States and Canada. They discussed the dif-

ficulties which were experienced from time to time in this connection. They shared the view that this trade would develop most satisfactorily as part of a widespread system of freer trade and payments. Such a multilateral pattern of trade would also best serve to sustain relations between the United States and Canada, and between each of them and the many countries with which they are associated throughout the world, on a wholesome and durable basis. The Committee recognized that policies and practices which promoted these purposes were important to the national well-being and security of the two countries.

The Committee noted that, with the high rates of employment and economic activity which had prevailed in most parts of the world the level of international trade had generally been well maintained during the past year. While some progress had been made in removing restrictions and reducing discrimination in many countries, there remained however a need for further advances in this field.

It was realized that difficult, although it is hoped temporary, problems existed as a result of the accumulation of large quantities of some agricultural products in several countries. These problems, if not handled carefully, could adversely affect the trade in such products and might also have damaging consequences for international trade generally. The members of the Committee were able to acquaint one another with their views on these matters. It was agreed that in dealing with these problems, there should be closer consultation in an effort to avoid interference with normal commercial marketings.

It was recalled that the initiative for the creation of this Committee had come from conversations between President Eisenhower and Prime Minister St. Laurent in 1953, reflecting the keen desire which both have always shown to improve understanding and strengthen relations between the two countries. At the meeting today the Canadian members expressed their deep sympathy with President Eisenhower in his illness and their hopes that he would soon be restored to full health.

* * * * *

NEW DESTROYER COMMISSIONED: The Royal Canadian Navy's anti-submarine destroyer escort, HMCS St. Laurent, will be commissioned Saturday, October 29, at Canadian Vickers Limited Montreal.

The St. Laurent, first warship to be wholly designed and built in Canada, recently completed three weeks of exacting sea trials at Murray Bay, on the St. Lawrence River. Her performance exceeded expectations. She was put through rigid tests of her speed and fuel consumption, manoeuvring capabilities, main engine performance, gunnery and the ability of her equipment to withstand shock.

Musical instruments and parts were produced in Canada last year to the value of \$12,843,000, about 5 per cent below the preceding year's \$13,497,000, the DBS reports. The year's output included 5,935 upright pianos valued at \$2,288,603 (7,341 at \$2,902,840 in 1953); 65 grand pianos at \$71,111 (84 at \$94,007); piano strings and parts worth \$564,938 (\$673,677); 323 organs valued at \$1,271,075 (375 valued \$1,395,834); 115,550 record players at \$2,939,305 (75,507 at \$2,096,200); and 10,051,749 phonograph records worth \$5,343,608 (11,785,357 worth \$5,956,501 in 1953).

WORLD HOPES OF DISARMAMENT BRIGHTER?

(Continued from page 1)

"Premier Faure of France suggested a plan involving budgetary checks on reduction in defence expenditure and the use of savings resulting from disarmament for assistance to under-developed countries. Prime Minister Eden of the United Kingdom, with his great experience in international matters, suggested a preliminary pilot project which would give us useful practical experience in the mechanism of inspection and control. Premier Bulganin of the U.S.S.R. put forward a plan in almost the same terms as a proposal made by the Soviet delegation in the Sub-Committee. This Soviet plan incorporates some important advances on the question of control, although in the view of my Government the Soviet provisions for inspection and control are still inadequate.

"Finally, at Geneva, President Eisenhower suggested a step, which might be taken immediately, a step taken to eliminate the possibility of a major surprise attack and to prepare the way for a general disarmament programme. Such an agreement would certainly be more easily attainable if we could first remove the overhanging threat of surprise attack. My government has expressed its great interest in this plan put forward by the President of the United States for the exchange of military blueprints and for mutual aerial inspection. To us that plan is a gesture of faith and imagination typical of a great man and of his country.

SOVIET OBSTRUCTION

"...I noticed with regret, however, that Mr. Molotov, in his statement in the general debate on September 23rd, seems to have misunderstood a comment made by Mr. Dulles the day before on the inevitable connection between a sense of insecurity and fear, on the one hand, and a possibility of disarmament on the other. I would recall to the Soviet delegation that a thought very similar to that expressed by Mr. Dulles occurs in the proposals made by the U.S.S.R. on May 10th of this year in the United Nations Disarmament Sub-Committee.

"...We think that the President's plan as well as the other proposals made at Geneva are not necessarily inconsistent with the proposals which have already been advanced in the Sub-Committee and on which, after long and difficult negotiations, some degree of general agreement may be in sight. None of these proposals, in our view, need be mutually exclusive. There is no reason why they might not, all of them, -- modified perhaps, become steps along the road to disarmament....

"...This Assembly will have to deal with a number of items relating directly to atomic energy. In the first place, there is the report of the Secretary-General on the International Conference on the Peaceful Uses of Atomic Energy held in Geneva from August 8 to

August 20. This conference has been widely and quite properly acclaimed as a great success, and I think it is a matter of satisfaction to us all that such a conference was organized by the United Nations. I should like to pay a word of tribute to the Secretary-General personally for his part in making the conference a success. In this, as in so many other things, he and the Secretariat have demonstrated their efficiency and imagination. The conference was, indeed, a fitting implementation of the unanimous resolution on international cooperation in developing the peaceful use of atomic energy adopted in the ninth General Assembly.

"...The extensive work which Canada has done on the peaceful uses of atomic energy has made it possible for us now to extend assistance abroad. We have recently arranged to provide the Government of India with an atomic reactor. It has been a source of satisfaction to my country to be able to share our resources in this way with a country to which we are so closely tied in bonds of friendship and partnership. We are happy also that this reactor will benefit our other friends in Asia by reason of the intention of the Indian Government to allow scientists from neighbouring countries to use their facilities.

CANADA AND SOUTHEAST ASIA.

"It is our desire in Canada to cooperate as far as possible with the great evolutionary movements in South and Southeast Asia. Our admiration for the peoples of these countries has been constantly strengthened by our personal associations in the United Nations and the Colombo Plan and more recently with the International Supervisory Commissions in Indo-China. I should like to say here a special word for the peoples of Laos, Cambodia, and Vietnam, for whom so many Canadians have come to have a deep respect and affection in the past year and who, we sincerely hope, will soon be able to take their rightful places in our councils. It seems to us quite wrong that so many of these Asian countries have been arbitrarily prevented from joining us here in the United Nations.

"If anyone were to doubt the role which the countries of Asia can play in this Assembly, he should study the proceedings of that great conference which took place at Bandung last spring. It was an impressive assembly of distinguished representatives of two continents which brought great credit to those who had initiated that conference. It may not be that we would agree with all of the conclusions of the conference, but we pay tribute to the wisdom and moderation of men who have preserved their perspective and their proportion through times of revolutionary change and passionate conflict. It was a great source of encouragement to those of us who believe deeply that the East and the West can work together for our mutual good.

"...There are, I believe, twenty-one outstanding applications for membership in our organization and it is the view of my delegation that the continued exclusion from the United Nations of so many nations of the world is a great handicap.

"...The basic political reality which we cannot ignore is that if this organization is not truly representative of the great majority of the countries of the world it will be unable to make its full contribution to settling the problems of the world.

"...In the view of my delegation, we should all be prepared to examine very carefully the possibility of the admission at the same time of a very large proportion of the outstanding applicants. There are, of course, particular difficulties with reference to the admission of countries temporarily divided, but we believe that serious consideration might be given to the early admission of the other applicants.

COLONIAL QUESTION

"...My country does not claim any particular competence in discussing colonial matters, but from past experience we have come to the conclusion that the debates in this Assembly on colonial issues do not always produce useful results and in some instances, I fear, have had harmful effects.

"...In a great many cases we do not quarrel with proposals for change which come before the Assembly, we question only the time chosen. And our opposition is not absolute or timeless either. We do not want to see the United Nations become like the so-called Holy Alliance which set its face against all reforms by arguing that they were never timely.

"Among those subjects which can be most usefully discussed at this Assembly, as in the past, are those which are part of the economic and social work of the organization. We have in mind, in particular, questions concerning materially underdeveloped areas of the world. This is a field in which the work of the organization is progressively becoming more efficient and more effective.

"We do not wish to see this creative work curtailed for there can be no lasting peace so long as ignorance, sickness and poverty are allowed to go unheeded anywhere. We are more than ever convinced that no nation can remain healthy and prosperous in a diseased and bankrupt world. But our dilemma is that some assurance of peace and security is required if all member countries are to make a full contribution to combatting economic and social ills. Nations which want to assist in the development of less fortunate countries often find that for their own security they must limit that assistance in accordance with the burden of national defence which they must also bear.

"This is one more reason why we hope that progress in disarmament will continue to a point where more substantial resources can be released for the great international cooperative project of bringing a better life to all citizens of the nations of the world...."

* * *

NEW ZEALAND MINISTER VISITS: The Department of External Affairs announced that the Honourable T.L. Macdonald, Minister of External Affairs and of Defence for New Zealand, arrived in Ottawa on September 26, accompanied by Mr. A.D. McIntosh, the Permanent Secretary of External Affairs, on his way to attend the current United Nations General Assembly meeting. That afternoon, he attended a Dominion Day reception given by the High Commissioner for New Zealand and Mrs. T.C.A. Hislop.

On Tuesday morning Mr. Macdonald visited the office of the New Zealand High Commissioner and attended a luncheon at the Rideau Club given in his honour by the Secretary of State for External Affairs, Mr. L.B. Pearson, and the Minister of National Defence, Mr. Ralph Campney. That evening there was a dinner in his honour at the New Zealand official residence. During the day Mr. Macdonald called on Mr. Pearson and met senior officers of the Department of External Affairs in the East Block. He also visited the Parliament Buildings.

Mr. Macdonald left by air for New York on Wednesday morning.

* * *

FIBREGLASS FOR CANOES: A fibreglass process to re-cover its canoes is being used by the Ontario Department of Lands and Forests, which probably uses more canoes than any other such organization in the world. The fibreglass replaces the old method of using canvas, which was stretched, tacked, filled and painted.

With the new process, a base coat of a resin preparation is put on the sheeting and a light cloth-like covering of fibreglass is laid on this and pressed into the resin base. This, in turn, is covered with several more coats of a resin preparation of somewhat different formula. The whole forms an extremely tough, light and durable cover on the sheeting.

Production of motor vehicles continued to increase over a year earlier in July, according to preliminary figures released by the Dominion Bureau of Statistics. The month's output of passenger cars rose to 38,882 units from 20,968 in July last year, bringing January-July production to 270,194 units versus 217,962. Production of commercial vehicles advanced to 9,153 units in July from 5,353 and 58,611 in the 7 months from 54,231.



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CANADIAN TELEVISION HAS SOUND ROOTS

A NATIONAL MEDIUM: Speaking at the opening of the Canadian National Exhibition in Toronto on September 9, David A. Dunton, Chairman of the Board of Governors of the Canadian Broadcasting Corporation, said:

"On the broadcasting side of Canadian television, public and private enterprise work together more directly than in any other field I can think of. They are co-operating members of the same system. The public part, the CBC, has to face the main responsibility for the production of national programmes in Canada, for the distribution of national programme service to people right across the country, and the operation of the necessary key stations. All the private stations at present extend service to more Canadians in other, and different, areas. They all carry national programme service to the people they serve, and in addition have programming arranged by themselves. The private affiliates of the system are thus helped by having part of their transmissions supplied free -- indeed drawing revenue from the national network commercial programmes they carry. On the other hand, the public part of the system is able to carry out its function of making national programme service available to people in many areas through the affiliated private stations. (To read some head-lines you would think that

private and public television operators glare at each other across a great chasm of enmity. Actually I think almost any of the private affiliates will confirm that the two spend much more time and effort pounding their heads collectively to find solutions for some of the many common problems that beset them and the whole system).

"It is this commonsense practical co-operation between public and private elements of the system, in the face of Canadian geography and conditions, that has made possible the tremendous development of television in this country during the last three years. There are now 28 different stations each providing service for additional Canadians in either the French or English language, with 8 more building. Canada is the second country in the world in number of television stations and in area of territory covered. Over 75 per cent of her population spread across the whole continent now have television service available to them. In spite of the small population of Canada, she is third of all the countries in the world in the number of receiving sets in use. Actually over 40 per cent of Canadian families have sets. They have spent over half a billion dollars equipping themselves to receive television, and are currently spending at a rate of over \$200,000,000 a year. That represents a big stimulus to our whole economy.

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"During most of the last two years there has probably been more programme production activity in Canada than any other country outside of the United States. Actually at the present time there are only three places in the world - New York, Hollywood and London - where there is more programme production work than in either Toronto or Montreal.

..."In various countries different ways of paying for television are used. In the United States revenues from advertisers using the medium support it entirely, up to now at least. On the other hand in Great Britain television has been supported so far without any advertising revenue but rather from the proceeds of an annual subscription fee paid by members of the television public in the form of a receiving set licence. Starting this month, Britain will have a second system supported entirely by advertising. In the United States there are a number of people who think that revenue from advertising is not sufficient, and that there should be at least some programming paid for directly by the television public who want to look at it, by means of one or other of the proposed pay-as-you-see systems.

U.S. CONDITIONS DIFFER

..."The question that pops out immediately is why Canada does not follow the example of her neighbour to the south and let television develop entirely on money from advertisers, or why she does not do as Great Britain is doing and provide for at least a separate alternate system operating throughout the country, living on advertising revenues alone. I believe the answer lies in Canadian conditions that are quite different from either of these two other countries. Those conditions are the comparatively small population of Canada and her enormous size, the division of two main language groups, and the very proximity to the United States itself. Canada has an enormous populated area to cover with television although the United States has also. The difference is that some ten times as many people live in the United States area. Again, the potential public who support English-language programme production in the United States is some 15 times what it is in Canada. It is interesting that one television station in the New York area can reach about as many people as the whole population of Canada. Our 28 stations with all their costs together still cover fewer people than can the one transmitter in New York.

"Great Britain has only about three times as many people as we have but her's live in a nice compact island, and they can be covered with a television signal for a fraction of the

cost required for the fewer people in Canada. And from the beginning our national resources of all kinds available for television had to be divided between two different language services.

"The result of our space and population condition is that advertising alone cannot support an adequate national distribution system stretching east and west across the continent and linking Canadians from one ocean to the other. Nor does it appear, up to now at least, that advertising can go far in supporting the whole cost of television programmes produced in this country. This is partly because of the number of people which any television programme can even potentially reach in this country as against the initial cost of the production. It is also related to the fact that American programmes produced at lavish expense in that country, the cost of which has been recovered in the large American market, can be imported into Canada and used for a price considerably less than the cost of a Canadian production of any pretension. These basic facts seem to add up to one inescapable conclusion - that in Canada some means of payment for television additional to advertising must be used if Canadian television is to both span the country adequately and to show Canadians any substantial amount of programming produced by fellow Canadians.

THE TV TAX

"The amount going in operations costs of television from the public admission fee - the excise tax - has been about \$15.00 per television family, per year. That works out just over four cents per family per evening. These amounts have made possible the building up of the nationwide system of distribution of television programmes by direct network and by recordings right across the country. An indication of the costs involved in distribution alone is that the CBC commits itself to a regular expenditure of well over \$100,000 a year simply for physically conveying national programme service to each new station that is established, whether private or publicly owned. Then the funds coming directly from the television public have made possible the amount of programme production for national distribution which we have in this country.

..."The many who have contributed to Canadian television I believe have together performed a remarkable feat in the last three years. The years ahead are just as important. Further big national decisions will have to be taken soon. Television has already become one of the most important means of communication for Canadians. How it develops will tell much about our nation of the future...."

A-REACTOR FOR INDIA: It was recently announced by the Governments of India and Canada that Canada had offered an NRX atomic reactor to India under the Colombo Plan and that this offer had been accepted. Following discussions on various details which will take place during September, it is expected that preliminary work relating to this project will begin shortly. A team of Indian scientists, including Dr. H.J. Bhabha, head of the Indian Department of Atomic Energy, will probably visit Canada for these discussions with Canadian scientists and government officials. A bilateral agreement will be worked out covering arrangements for the project.

The NRX reactor is a high-powered research and experimental unit of the kind now in operation at the atomic energy establishment at Chalk River, Ontario.

In the original message in which this offer was made to India, the Canadian Prime Minister Mr. St. Laurent, expressed the hope that such a reactor would serve India as well as it had served Canada in research and in the development of peaceful uses of atomic energy. In accepting the offer, Mr. Nehru indicated that his government would be prepared to allow accredited foreign scientists, including those from other Colombo Plan countries in South and Southeast Asia, to use the facilities that would be available at the atomic energy centre in India where the reactor would be located. The provision of this unit will not only bring about close co-operation between the scientists of Canada and of those countries who will be benefitting from the reactor but will also be another link between India and Canada.

The Canadian Government will ask Parliament to appropriate additional funds for this purpose in order that the project can be carried out without reducing the regular economic development assistance to be made available by Canada to India and other Colombo Plan countries in South and Southeast Asia.

* * *

INTERNATIONAL LIBRARY CONGRESS: The Canadian Library Association was represented by a delegation of nine librarians at the Third International Congress of Libraries and Documentation Centres which was held in Brussels, September 11th to 18th. Chairman of the delegation was Dr. W. Kaye Lamb, National Librarian of Canada and a past president of the Canadian Library Association. Other members of the delegation were:-

Mrs. Thérèse Desrochers Foster, Library of Parliament, Ottawa; Miss Edna Hunt, National Research Council Library, Ottawa; Miss Ella Minter, Department of Agriculture Library, Ottawa, Mrs. Ogretta McNeill, Music Division, Toronto Public Library, Toronto; Mr. Lachlan F. MacRae, Director, Defence Scientific Information Service, Defence Research Board, Ottawa; Rev. A.M. Morisset, O.M.I., University of Ottawa Library, Ottawa; Dr. John Németh,

Public Printing and Stationery Law Library, Ottawa; Mr. R.D. Hilton Smith, Toronto Public Library, Toronto.

This International Congress has been held only three times in this century. Canada had representation at the first and second congresses in Rome and Madrid.

Meeting concurrently with the Third International Congress were the Fourth International Congress of Music Libraries and the Twenty-second International Conference on Documentation.

* * *

RED LICENCES FOR REINSTATED DRIVERS: Ontario motorists reinstated after losing their driving licences for drunk driving are now being issued for the first two years a special red licence with the word "REINSTATED" across the front, Highways Minister James N. Allan announces. The new policy became effective on September 1st and it is expected that about 2,000 will be affected annually.

The red licence now immediately identifies a driver with a record when a police officer demands presentation of the licence or when a magistrate has to consider a suitable penalty for any subsequent offence.

It is hoped that the red licence will serve as a warning and deterrent to reinstated offenders from falling into the same lapses.

Mr. Allan said that the minimum period for the red licence will be two years, but how soon after the driver will get a regular licence will depend on the circumstances of the offence for which he was suspended and his previous record.

There is a possibility that the red licence system will be extended to apply to all reinstated drivers regardless of the offence for which the licence was cancelled.

* * *

STUDY PIPING OF GREAT LAKES WATER: Appointment of a five-man committee to investigate the possibility of piping water from the Great Lakes to areas with water supply problems was announced during the summer by Premier Leslie M. Frost.

The committee has been assigned the job of surveying the present and future need for an integrated system of water supply, with particular reference to southwestern Ontario.

The committee is asked to determine the best method to provide adequate quantities of suitable water to municipalities, industries, agriculture and other consumers for whole areas. It is also to determine which areas need more urgent help in this regard, indicate what legislation will be required for these purposes and prepare estimates of the cost of the projects.

It is expected the solution proposed will be a system of pipelines from the Great Lakes with water being sold to municipalities as hydro power is now.

AUGUST EMPLOYMENT SITUATION: Employment during August continued to expand more rapidly than did the labour force; consequently, unemployment again declined. During the month ended August 20, the number of persons with jobs increased by about 53,000 to an estimated 5,641,000, some 165,000 above the previous record for the month, that occurred in 1953. In contrast to the increase this August, however, employment had shown little change during the month in 1953 and 1954.

Rising levels of activity this year in the primary industries and in the construction, automotive and related industries have been mainly responsible for the substantial employment increases during the past months. Between mid-March and mid-August, the number of persons employed in both seasonal and other industries increased by an estimated 642,000. During the same period in 1954, the number of persons with jobs increased by some 446,000 and in 1953 by 400,000. While shortages of labour were reported in a few cases this year, labour requirements and supplies were generally well balanced in almost 90 per cent of the areas. The classification of the 109 local labour market areas at September 1, 1955 (last year's figures in brackets) was as follows: in shortage, 5 (1); in balance, 93 (68); in moderate surplus, 10 (38); in substantial surplus, 1 (2).

The civilian labour force totalled 5,772,000 in the week ended August 20, 1955, compared with 5,738,000 in the week ended July 23, 1955. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

Of the 5,772,000 in the labour force, 4,980,000 or 86.3 per cent worked full-time (defined at 35 hours or more) in the August survey week, 303,000 or 5.2 per cent worked less than 35 hours, 358,000 or 6.2 per cent had jobs but did no work during the survey week, and 131,000 or 2.3 per cent did not have jobs and were seeking work. Classed as not in the labour force are such groups as those keeping house, going to school, retired or voluntarily idle, too old or unable to work, and these numbered 4,785,000.

* * * *

NEW BRUNSWICK HEALTH BURSARIES: A new approach to the problem of providing trained laboratory and radiological personnel for small hospitals in New Brunswick was disclosed recently by the Honourable Paul Martin, Federal Health Minister, as he announced the award of public health bursaries to New Brunswick residents.

The bursaries will help provide financial assistance to send four trainees to Newfoundland for eight-month combined X-ray and laboratory course. The course will consist of two months lectures in X-ray and laboratory procedures and three months practical experience in each of these services.

Citing the cooperative nature of the project, Mr. Martin said the combined course had been proposed by the Inter-Provincial Planning Committee of the Atlantic Provinces.

At present many small hospitals in New Brunswick are faced with a shortage of technical staff while at the same time they have insufficient work to employ the full services of both an X-ray and a laboratory technician. The proposed combined course would solve this dilemma by training one person for both jobs.

* * * *

FEWER CASES, MORE VISITS BY VON: Home nursing services were rendered by the Victorian Order of Nurses for Canada to 120,342 cases in 1954 as compared with 124,164, in 1953 and 129,466 in 1952, the Dominion Bureau of Statistics reports. Although the number of cases declined by 9,124 or 7 per cent since 1952 there was an increase of 3.6 per cent in the number of visits from 899,299 to 931,443. Likewise, group health activities, which represent about 6 per cent of the total service given, increased by 18.2 per cent in the number of sessions held.

Over twice as many females as males received nursing care for medical and surgical conditions from 1952 to 1954. The median age of male cases increased from 45.2 to 59.8 years and that of female cases from 57.2 to 63.4 years. The increasing trend in age of patients accounts for the general increase in visits to medical and surgical cases with chronic conditions.

Diabetes accounted for the largest percentage of visits (13.2), closely followed by diseases of the central nervous system and sense organs (12). Diseases of the heart (11.6) ranked third, with 96.8 per cent of the visits being made to patients 45 years of age and over. Anaemias, malignant neoplasms (cancer) and other diseases of the circulatory system followed with 11.5, 8.4 and 5.4 per cent, respectively.

* * * *

SOLDIERS STUDY SEAWAY: Army Headquarters and the St. Lawrence Seaway Authority announced recently that the four officers will be attached to the Authority for one year beginning in January, 1956. They will be employed on the Seaway Project in a supervisory capacity.

Working with the Seaway Authority, the four officers will have the opportunity of observing many phases of large-scale engineering operations. These include the methods of organizing and carrying out heavy construction of many types such as earth-moving operations, quarrying and rock handling, the compaction of materials in the construction of impervious dykes, the pumping and dewatering of construction sites, mass concrete and reinforced concrete construction, road building and paving and the erection of steel structures including lock gates, lock valves and bridges.

THE CONQUEST OF HUNGER AND FEAR

PLOUGHING FOR PEACE: In dedicating the Caim of Peace to commemorate the First World Ploughing Match held at Cobourg, Ontario, on September 12, the Honourable Paul Martin, Minister of National Health and Welfare, said, in part:

"...One of the fundamental problems that faces us today is that of growing enough food to feed mankind. Throughout this world, there are great masses of people who know little or nothing of Communism or of democracy, who know little or nothing of freedom, but who know a good deal about hunger, starvation and poverty. By their very weight of numbers they will have a powerful effect on the course of human affairs in the years to come.

"In the materially under-developed areas of the world, there are many fertile fields for our ideas and our ideals. But they are fields that may long lie fallow unless the more favoured nations are prepared to help bring them to harvest. Already countries like Canada have shown, in a practical way, their determination to help free the world from want by the establishment within the United Nations of the Food and Agriculture Organization and by their participation in great humanitarian ventures like the United Nations Expanded Programme of Technical Assistance and the Colombo Plan..

PLOUGH AS SYMBOL

"Much of this assistance takes the form of technical aid with such problems as soil conservation, crop rotation, the use of fertilizers and of improved tools and techniques. Since the plough has traditionally been regarded as the basic instrument of food production, improved ploughing methods have an important place in our concerted effort to make better use of the land. Thus, by stimulating worldwide interest in the craftsmanship of ploughing, and by raising the dignity of the ploughman, annual World Ploughing Matches can, by their influence, help to increase the yield of the soil of every continent.

"But there is a broader purpose behind the World Ploughing Organization and the annual matches which it sponsors. Ever since it was prophesied in the Book of Micah that 'they shall beat their swords into ploughshares and their spears into pruning hooks', the plough has been the symbol of peace. And surely these friendly competitions can do much to foster mutual interest and respect among the many nations taking part. Men of good will from various parts of the world cannot fail to find community of interest and understanding in the practice of an art which is as old as history and as widespread as the human race itself.

"The Golden Plough, the finely-wrought trophy that is emblematic of the world's ploughing championship, travels annually from one country to another as a messenger of peace

and good-will and a harbinger of hope and abundance for all mankind. Nothing could more appropriately symbolize man's dream for peace by tilling the soil so that hunger and want, the twin evils of war, might be banished from the face of this earth forever.

"And in our search for peace and security in this world, as Sir Anthony Eden recently observed, 'there is now a better chance than we have known at any time since the war to get to work on practical proposals to solve the differences which have divided us all these years.' While it would be foolhardy to relax our vigilance or to lower our guard until our security is more assured, all Canadians look forward to the day when increasingly international conferences will be organized to promote the welfare of man and not merely to delay his destruction.

HOPE FROM GENEVA

"The entire world has taken heart from the spirit that motivated the Geneva conference of heads of government and from the very considerable friendly exchange of information on the peaceful uses of atomic energy at the conference of nuclear scientists that followed it at Geneva. These and other developments encouraged me to go to the meetings of the Disarmament Commission's Sub-Committee in New York in a mood of cautious hopefulness that we might continue to make further progress towards our ultimate goal of an effective system of world disarmament.

"The subject of disarmament is perhaps one of the most difficult and most complex questions with which the United Nations has had to deal. I think it is well to remind ourselves, however, that, as I have pointed out in United Nations discussions, armaments are a symptom rather than a cause of international tension.

"Disarmament negotiations in the United Nations go back to the very first resolution of the General Assembly on January 24, 1946. While progress has certainly not been spectacular -- and there were many years during which there seemed little prospect of advance towards agreement -- the last twelve months have witnessed a remarkable narrowing of the gap of disagreement and suspicion that has for so long obstructed our efforts.

"I would recall particularly the resolution on disarmament co-sponsored by the five members of the Disarmament Commission's Sub-Committee which was adopted last Fall by the General Assembly of the United Nations. This resolution, which was first put forward by the Canadian Delegation, won, for the second time in the history of the United Nations, unanimous support from all sixty member nations.

"It should be recognized, of course, that the adoption of the Canadian resolution by unanimous vote was in most respects a pro-

cedural decision only, although it did embody some measure of apparent agreement on principle and it opened the way to a further series of meetings of the Sub-Committee of the Disarmament Commission. At these meetings, held in London during February and May of this year, the Sub-Committee eventually agreed upon further significant steps forward towards the elusive goal of an agreed comprehensive disarmament programme.

... "Following the London meetings the subject was again taken up by the heads of state at the Geneva conference. All four governments advanced proposals that are now receiving the most careful examination by the Sub-Committee meeting in New York. The objective of the Geneva talks was well summed up by President Eisenhower in his closing speech when he said:

'We did not come here to reach final solutions. We came to see if we might together find the path that would lead to solutions and would brighten the prospects of world peace.'

TOWARD DISARMAMENT

"It will be seen, then, that the search for agreement on disarmament has been a long and arduous process. The present meetings in New York are a resumption of the London talks and a further effort to carry out the task entrusted to this Sub-Committee by the General Assembly of the United Nations. Some serious progress had been recorded by the time the London session adjourned and a number of new and imaginative proposals have since been placed before us as a result of the Geneva meeting.

"Speaking in the Sub-Committee last Friday, I expressed the Canadian attitude on some of these proposals and replied to a number of questions posed by the delegate of the Soviet Union. I attempted to make it perfectly clear that Canada still adheres to the general United Nations plan calling for the limitation and reduction of all armed forces and armaments, including the elimination of weapons of mass destruction. Since disarmament is of no value unless it is observed by all contracting parties, I also affirmed our belief that there must be some effective system of inspection and supervision so that each side can know that the other is carrying out its commitments.

"There is a very close relation, of course, between progress in disarmament and the achievement of better social and economic conditions throughout the world. Obviously, the larger the share of the national production that must be devoted to defence, the less there is for the improvement of living conditions among our own peoples or for assistance to the materially under-developed areas and the less fortunate peoples of the world.

"At the present time, Canada is spending about 40 per cent of its total annual budget on national defence. This we accept as a necessity and, in view of the times in which we

live, we do it ungrudgingly. But we should be enormously relieved, as would all peaceful peoples, if we could devote a much larger proportion of our productivity and of our savings to our great problems of transportation, communications, housing, health and social welfare. We wish profoundly that we could concentrate on our own national development without the interruptions and the heavy costs of ensuring that a way of life which seems good to us is not seriously menaced or destroyed.

"But while we wish that defence expenditures could be reduced and that the nation's resources could be channelled in more constructive directions, we cannot afford to be lulled into any false sense of security...

"We shall continue to negotiate for peace but this we shall do from a position of strength such as the western nations have created in the friendly alliance of the North Atlantic Treaty Organization. On the one hand, we of the democratic world dare not be naive. It would be foolish and dishonest to pretend that those who are most skeptical may not be right. On the other hand, in the face of the growing inter-dependence which technology is forcing on the human race, we dare not reject any possibility of negotiations to bring nuclear powers under civilized control.

ATOMIC CONTROL

"I think, perhaps, that only those associated with government which have some direct experience of atomic processes, and direct access to classified information concerning the most recent developments in this field, can recognize the seriousness of the threat which the use of nuclear weapons could pose to the very existence of organic life on this planet. That is why it is of the greatest importance that we should make every effort at this stage to clarify and to understand proposals put forward, from whatever source they may come, and, above all, to create the best conditions for further negotiation. No proposal, however, extreme or unrealistic it may first appear, can be dismissed until it has been thoroughly examined and explored.

"It should be clear to everyone that the difficulties which face us are still immense and formidable and no reasonable person should expect any easy or dramatic solution. And yet, as we look back over the course of disarmament negotiations during the past nine years we should see -- not the difficulties, the setbacks, and the obstacles -- but the distance covered. For I believe that progress has been made during these past nine years and that, given patience, intelligence and courage, we can yet reach our ultimate goal of a just and lasting peace. It is our challenge to fulfill the Biblical prophecy that 'nation shall not lift up a sword against nation, neither shall they learn war any more'."



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DEPARTMENT OF EXTERNAL AFFAIRS

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WEEK'S EVENTS IN REVIEW

PLEDGE OF PROSPERITY: Addressing the Maritime Boards of Trade at Charlottetown, Prince Edward Island, on September 12, the Honourable Walter Harris, Minister of Finance, made the following remarks about Canada's present economic and financial situation:

"One of the most reassuring events of the last year or so in Northern America as a whole has been the way in which the economic contraction which began towards the end of 1953 was held in check in 1954 and turned into a renewed upward movement in 1955."

"It is reassuring because it demonstrates that the economic system in this country and in the United States is resilient and flexible, able to cope with large changes in demand, or other such adjustments, without serious disturbance and unemployment. It also points to the fact that confidence in the future of the Canadian economy is widespread throughout Canada."

"If we cast our minds back only six months or so to the situation that existed last winter you will remember that there was a good deal of concern both in Parliament and throughout the country, about the problem of unemployment. A good deal of this unemployment was seasonal of course. This is one of the inevitable consequences of our climate, though it is also something we must all endeavour to keep to a minimum...."

"During 1954, and particularly last winter, it is true that on top of the seasonal slump in business activity, there was in Canada and the United States an additional and undesirable amount of unemployment in some of our secondary manufacturing industries. To some people it looked as if the steady growth of production and employment that had been so marked a feature of this continent in previous years had come to an end, at least temporarily."

"Most of us did not share that pessimism. The troubles of the North American economy were not chronic or deep-seated. In the United States there was a problem of excessive inventories in the hands of manufacturers and distributors and the liquidation of these inventories meant, for the time being, less production, less investment in new plants, and therefore less employment."

"This recession in the United States, if you can call it that, had some unfavourable repercussions on Canada, as any trouble in the United States is bound to do."

"Of course, we also had some of the same problems of declining demand to contend with in Canada, and difficulties in some of our manufacturing industries which had had to cope with increased international competition. We had a decline in production in some of those manufacturing industries which had expanded so greatly since World War II and especially

ANTHROPOLOGIST LOST IN HUDSON BAY: Claude Dumont-Desgoffe, 28, a French anthropologist studying the Eskimos of the Belcher Islands for the Department of Northern Affairs and National Resources, is presumed to have drowned on August 6 in Hudson Bay.

Dumont-Desgoffe and two Eskimo companions disappeared while making a trip by canoe between the Hudson's Bay Company's Belcher post and Eskimo Harbour, site of present mineral investigations. Both settlements are on the Belcher Islands in the Northwest Territories.

Dumont-Desgoffe and his companions left the Hudson's Bay Company post on August 6, planning to visit Eskimo Harbour and Johnson Island in the Belcher Islands group before their return around August 20. When a mining engineer at Eskimo Harbour learned that the party was overdue, he organized a search. The first evidence of an accident was found on the west shore of Omarolluk Sound about eight miles north of the HBC post; it included the burned gunwale of a canoe and a partly burned sleeping bag and canvas bag.

The RCMP detachment at Port Harrison was notified on September 1st. The RCMP have sent an aircraft from Churchill to assist the Great Whale River Detachment with further searching but little hope is held that the anthropologist and the two Eskimos will be found.

Mr. Dumont-Desgoffe was born at Djidjelli, Algeria, and graduated from the University of Paris after specializing in anthropology. He took post-graduate studies at the University of Copenhagen, Denmark, where he studied Eskimo culture. After field work in Finland and Greenland, he spent the summer of 1954 making anthropological studies on the Eskimos of the Belcher Islands under a grant from the Arctic Institute of North America. He was engaged this summer by the Department of Northern Affairs to continue his study of the life and social organization of the Eskimos of the Belcher Islands. He was seeking to assess the effects on their life as a result of the mining activities introduced there.

Mr. Dumont-Desgoffe was unmarried but has a father and aunt living in France. While in Ottawa, Mr. Dumont-Desgoffe lived at 488 Gilmour Street.

* * * *

FEWER CIGARS, MORE CIGARETTES: Excise revenue stamp sales indicate that 12,336,781,000 cigarettes were withdrawn from bond for consumption in Canada in the first half of this year, 1,319,826,000 or almost 12 per cent more than in the first six months of 1954, DBS reports. On the other hand the number of cigars withdrawn dropped by nearly 2 per cent to 118,381,000 from 120,473,000 last year.

SLIGHT ADVANCE IN CONSUMER INDEX: Canada's consumer price index, based on average 1949 prices equalling 100, registered 116.4 at the start of August, 9.3 per cent above the July 2 level of 116.0 but 0.5 per cent below last year's August index of 117.0.

The change during July was mainly due to an 0.8 per cent increase in the food index to 112.4 from 111.5. There were increases for butter, eggs, grapefruit and most cuts of beef and lamb and reductions for margarine, apples and fresh vegetables, notably tomatoes and potatoes. This year's August 1 food index was 1.8 per cent below last year's level of 114.4.

The shelter index also advanced slightly, registering 129.8 at August 1 versus 129.6 a month earlier and 127.0 at the same time last year. The increase during July reflected a small upward movement in home-ownership costs, rents showing no change. Slight changes for a few clothing items balanced each other during July to leave the clothing index at 107.8, which was 1.7 per cent below last year's August index of 109.6.

* * * *

MILITARY TECHNICIANS MEETING: Problems of mutual interest in the fields of biological, chemical and flame warfare are under discussion in Ottawa by scientists and service technical officers from the United States, the United Kingdom and Canada during the 10th Tripartite Conference on Toxicological Warfare from September 12 to 24. Canada cooperates with the other two countries on the defensive aspects of both biological and chemical warfare.

The series of closed sessions will lead to the coordination of activities in the fields concerned by the three participating countries.

Approximately 200 scientists and engineers, the majority civilians, are taking part in the discussions being held in the Centre Block of the Parliament Buildings. Similar conferences are held annually with Canada acting as host every fifth year. The September sessions will be the second to have been held in Ottawa.

* * * *

CASEY AGAIN IN OTTAWA: On Friday September 9, the Right Honourable R.G. Casey, Australian Minister for External Affairs, arrived in Ottawa for an informal visit on his way to Washington and New York to attend the United Nations General Assembly.

Following his arrival at Uplands Airport, Mr. Casey paid a call on Prime Minister St. Laurent. Later he met the press in the East Block and visited the Secretary of State for External Affairs, Mr. Pearson.

On Saturday, Mr. Casey conferred with officials of the Department of External Affairs and lunched with the Australian High Commissioner. He left Ottawa for Washington by air on Sunday afternoon.

NEW EDMONTON AIRPORT: Selection of a site for a new airport for national and international civilian aviation operations to serve the city of Edmonton and the surrounding area was announced in a joint statement issued September 2 by the Honourable George C. Marler, Minister of Transport and the Honourable George Prudham, Minister of Mines and Technical Surveys. The selected site for the new airport is approximately ten miles south of the city limits on Number 2 Highway, immediately northwest of the town of Leduc.

The joint announcement said that the site selected for the new airport had several important advantages over other sites in the neighbourhood of Edmonton. It would, for instance, lend itself to future developments such as multiple runways for instrument use; it was within reasonable distance from the city; and it was sufficiently distant from other Edmonton airports to ensure complete independence regarding traffic patterns.

Recognition of the growing requirements for air travel in the Edmonton area makes it necessary for the construction of an entirely new major airport with runways and other facilities sufficient to handle any type of normal Canadian air traffic, says the joint statement. Engineers of the Department of Transport have been engaged for several months in carrying out detailed examinations of all possible airport sites in the vicinity of Edmonton and their recommendations have been concurred in by the Government. The announcement says that steps will now be taken to draw up detailed plans as rapidly as possible.

While certain questions of respective responsibilities of the municipal and federal authorities with respect to both the existing airport and the proposed new airport were still under active consideration, the joint ministerial announcement said that the Federal Government would assume the major responsibility for construction of runways and taxiways and for the installation of lighting, aids to navigation and other auxiliary facilities.

The Ministers paid tribute to the efficient operation by the city authorities of the present Edmonton Municipal Airport and said that so far as could be seen the present municipal field would also be required for service to the Edmonton area for some years even when the new airport was completed and in operation. The statement made reference to the present heavy use of the present Edmonton airport by commercial airlines, private aircraft and by the aviation repair and manufacturing industry. It was considered that the present runways and existing aids to navigation were sufficient to handle the immediate needs of Canadian domestic airlines and traffic moving to and from Edmonton. The encroachment of housing and industrial developments in the vicinity of the airport prevented, however, any expansion to meet the needs for longer runways to accommodate larger and faster aircraft.

MONUMENT TO ALBERTA: Alberta, which this year celebrates its 50th year as a Canadian province, will have a permanent monument to mark its incorporation. On the northern approach to the Legislative Building at Edmonton, a cut-stone monument has been erected on the recommendation of the Historic Sites and Monuments Board of Canada.

Dedicated to the creation of the Province of Alberta on September 1, 1905, the plaque on the monument reads "To this land of prairie, foothill, mountain and river, where the Indian roamed, came explorer, fur trader, voyageur, missionary, ranchman, farmer and railway builder. At points on river and railway, towns and cities grew. Within the North West Territories the battle for responsible government was again fought and won."

"The demand for wider autonomy led to the setting apart of the western portion of the Territories as the Province of Alberta, which was formally inaugurated on 1st September, 1905. Hon. V.H.V. Bulyea was the first Lieutenant-Governor and Hon. A.C. Rutherford the first Premier."

Prime Minister L.S. St. Laurent unveiled the monument on September 7. Alberta Premier E.C. Manning addressed the gathering and Professor M.H. Long, Alberta member of the Historic Monuments Board, presented the monument for unveiling, while Col. F.C. Jamieson, Q.C., who was present on Inauguration Day at Edmonton in 1905, recounted his memories of that historic occasion.

A monument to mark the incorporation of Saskatchewan as a province was erected in 1942 in Regina on the spot where the 1905 ceremony in that province was held.

* * * *

CANADIAN SCHOOLS IN GERMANY: About 1,500 young Canadians are heading back to school in a land far from the borders of home.

They are the children of Canadian soldiers serving in Belgium and Germany with the 1st Canadian Infantry Brigade Group. The youngsters, world travellers at an early age, are attending four schools in all, involving instruction at the kindergarten, primary and high school stages.

The schools are located at Soest, Hemer and Werl in Germany, and at Antwerp in Belgium. A total of 70 Canadian teachers from all parts of Canada make up the instructional staff. They are under contract to the Department of National Defence to serve a period of two years with the Canadian Army force in Europe.

Each school has a principal and a staff commensurate with the student body. Brigade Headquarters in Soest has a total of 34 teachers. Next comes Werl with 16; Hemer with 15 and Antwerp, the smallest of the group, with four. All are under one supervising principal, Dr. Dean Martin, of Montreal.

GERMAN PLANT FOR REGINA: The Regina, Saskatchewan, district has been chosen by Hoesch Steel Company of Dortmund, Germany, as the site of a \$3,000,000 plant for the construction of electric resistance weld transmission oil and gas pipe, according to a joint announcement by Premier T.C. Douglas of Saskatchewan, Minister in Charge of the Saskatchewan Industrial Development Office, and G.W. Anderson, of Dortmund, Germany, representing the company.

One of the world's largest iron and steel industries, the Hoesch empire comprises 17 companies with a total of 32,000 employees, with a few of the products turned out by Hoesch including heavy machine tools, cranes, turntables, travelling platforms, and machines for coke-oven plants.

Other operations of the company comprise coal, iron and limestone mines which provide basic materials used in the industry.

The new Regina plant, the first to be constructed by the parent company outside Germany, will be built of brick and steel on a 160 acre site on the outskirts of Regina. It will have 50,000 square feet of floor space with provision for an additional 20,000 square feet. Depending on the availability of materials, construction will begin this fall, with the plant possibly in operation by the spring of 1956. It will be the first steel pipe production plant on the prairies.

THE PRODUCT

The first step in a gradual expansion programme will see the firm producing from 3,000 to 4,000 tons of transmission pipe per month to meet the normal prairie consumption at present of 45,000 tons of gas and oil pipe annually. Pipe will range from 6 inches to 20 inches in size with provision for producing 36 inch pipe when the Trans-Canada Pipeline project gets under way.

Supplies of raw material known as skelp (special steel used in pipe manufacturing) which comes in coils of 4 to 8 tons, will come from Canadian mills and if necessary, will be shipped from the parent company in Germany via Port Churchill or Vancouver. Two Canadian mills have already offered supplies of skelp, to be available in the spring of 1956.

The Hoesch company has purchased sufficient land with a view to building additional plants for the production of other steel products when markets and population warrant expansion. The firm anticipates considerable expansion in the future after it has evaluated and sampled the Canadian market. Key men will be brought in from Germany, with local workers making up an initial complement of 50 employees. This number will be greatly expanded as the plant increases in size and scope of operation. The Regina firm will be known as Hoesch (Canada) Limited.

AWARD TO DECEASED RCAF INVENTOR: The Department of National Defence announced on September 6 the award of \$1,000 to the estate of a deceased Air Force officer whose original ideas resulted in adoption of a new type of barrack bed by the RCAF, with substantial savings to the Service and the taxpayer.

Recipient of the award was Mrs. John Purdy of Ottawa, whose husband, the late Flight Lieutenant John Purdy, submitted a sketch incorporating a far-reaching improvement to the then-existing RCAF barrack bed.

F/L Purdy, a native of Ottawa, and a supply officer in the RCAF stationed at Air Materiel Command headquarters, Ottawa, died in July, 1953, at the age of 44. Two years before his death he had submitted a design for a new type of barrack bed that could be used as a single unit or in double tier form.

The Department states that adoption of the new type bed has reduced administrative and accounting costs, handling time and storage space required. A vital factor in favour of the bed is that, in emergencies, current barrack accommodation could be immediately doubled.

The award to F/L Purdy's estate, as a token of appreciation of his idea and its resultant savings to the Department, was made under National Defence regulations providing for bonuses or gratuities to personnel having made a valuable discovery, invention or improvement while engaged in their work, and which would be vested in the Crown.

* * * *

TENTH CANADA BOND ISSUE: The Minister of Finance, the Honourable Walter Harris, announced on September 1 that the Tenth Series of Canada Savings Bonds would go on sale on October 17th next. The bonds will be dated November 1st, 1955 and will mature 12 years later on November 1st, 1967. They will pay a full 3½ per cent interest per year to maturity and will carry 12 annual interest coupons. Sale will be at 100 per cent up to November 15th, 1955.

Mr. Harris said that the decision to offer Canada Savings Bonds again this fall was based on a continuing strong interest on the part of the public which resulted in the sale of \$800 million of Series Nine last October. He noted that, with the offering of the Tenth Series, Canada Savings Bonds would mark a decade of service to Canadians in all parts of the country. He said that he expected the ten millionth order for Canada Savings Bonds would be signed in the course of the Tenth Series Campaign.

This year an estimated \$153,774,000 will be spent on the construction of hospitals, sanatoriums, clinics, first-aid stations and similar buildings in Canada, \$37,144,000 more than in 1954.

PLEDGE OF PROSPERITY

(Continued from page 1)

since the start of the Korean War. I refer to some defence production industries, textiles, automobiles, electrical goods and so on. And we had a poor harvest in the Prairie Provinces, which had some adverse consequences for the rest of the economy too.

"By the time of the Budget in April of this year, there was evidence of improvement in the economic situation.

"The decline in industrial activity in the United States had come to an end and production and employment were beginning to move forward again. This was also true in Canada, through our increased exports to the United States. At the same time the European demand for our exports of forest products, minerals, chemicals and the like was well maintained. Of course, the output of the basic resource industries - and the employment in them - continued to grow throughout the recession phase, and have gone on growing since then.

"New capital investment - always a great provider of jobs and incomes - had slumped a little in 1954 from its high level of 1953 but was beginning to grow again by the spring of this year.

FIRST BUDGET ESTIMATE

"This was the broad picture as I saw it when planning the budget. I therefore estimated that, barring unforeseen events, 1955 would see a national output of at least \$25 billion, or 6 per cent more than last year. Many people at that time thought that this was over-optimistic, but were kind enough to say that a first budget was entitled to be.

"With this in prospect, I might have decided that the question of budget policy had almost decided itself. With a higher national product there would be an automatic increase in revenues on the basis of existing tax rates, and the forecast revenues would just about balance the expenditures.

"But there were other things to consider.

"First and foremost, there was the question of tax rates. I happen to have said on another occasion that when taxes are high, we run the risk of diminishing the initiative and enterprise on which we all depend for a healthy and expanding economy. And I also believed that a reduction in certain kinds of tax would help increase consumer spending and encourage a larger amount of investment and enterprise, and thereby reinforce the expansion that was already going on. I therefore felt that our tax policy should be based, not on the immediate prospects, but on the longer-run prospects of the economy.

"Looking at the revenues that would result from the probable growth of the economy during the year, it was apparent that the existing tax rates would begin to produce a surplus,

perhaps beginning about the end of the fiscal year. This would be the case if the total production was to increase enough to make up for the ground that had been lost in 1954, and to increase still further by the normal annual growth of two or three per cent. Since I felt that we could reasonably expect the Canadian economy to reach this position in about a year, or at least be in sight of reaching it, I felt that the tax policy for the year ahead of us should anticipate this condition right now when it would do the most good.

"Consequently, I recommended to Parliament certain important tax reductions.

"However, I did not suggest that the economy would average this higher level of production throughout the whole of the next fiscal year and I said that consequently there would be a deficit for the coming year as a whole.

1955 IMPROVEMENT IN THE ECONOMY

"As I have said, these measures were regarded by some people as being based on an over-optimistic view of our economic prospects. In the result, the events of the last few months have shown that these expectations have been satisfactorily fulfilled so far. Industrial production, construction, exports and consumer spending have all risen impressively. Let us look at a few statistics at the half-year mark for Canada as a whole.

"Manufacturing production this summer was up 8% per cent over the middle of last year. Last summer it was below the level of the previous year by 5 per cent. We have found that some of the manufacturing industries which were in trouble last year are beginning to overcome their difficulties, and most other industries are continuing to produce and sell more goods and services and to employ more people.

"Retail sales in June of this year were 11 per cent above the level of a year earlier.

"The labour force of Canada has grown substantially since last summer - by about 160,000 - nearly 3 per cent - but the number of people at work has grown by about 183,000. Consequently, the number of unemployed (in July) was down about 23,000 from last year, and amounted to 2.6 per cent of the labour force. This is beginning to approach a pretty high level of employment.

"As I mentioned earlier, my budget forecasts were based on the belief that national production in 1955 as a whole would average about \$25% billion, and that by the end of the year would have reached a rate of about \$26 billion....

"The closer a country moves towards a position of high employment the greater becomes the danger of inflation. In some of the countries of Europe evidence of the strains and stresses caused by the full employment of resources is beginning to show itself in the form of a reappearance of foreign exchange

WHOOPING CRANES SPOTTED: Six young whooping cranes, including two sets of twins, have been observed in Wood Buffalo National Park, reports the Canadian Wildlife Service of the Department of Northern Affairs and National Resources.

The young cranes were spotted September 12 during a flight over the cranes' nesting area by William Fuller, Wildlife Service mammalogist at Fort Smith, N.W.T. Eleven adult birds as well were seen in the huge buffalo preserve that straddles the border between Alberta and the Northwest Territories.

Sighting of the young whooping cranes strengthens hope that the impressive birds will not become extinct. The young birds indicate that the cranes reared broods at the Wood Buffalo Park nesting site this year. Survival of the young birds during their impending migration to the Arkansas national wildlife refuge near Austwell, Texas, could save the species from extinction.

The group of birds observed by Mr. Fuller is the most promising sighting yet in Wood Buffalo National Park. In July 1954, six birds, including one young, were sighted. Six adults were seen in July this year and eight in August.

* * *

MILITIA STAFF COURSE: Thirty-five Canadian Army Militia officers from all parts of Canada are attending a course at Camp Borden, Ontario, that hasn't operated since before the Second World War.

It is the Militia Officers Staff Course, which in future will be held during a two-week period each September. Officers of the rank of captain or above who have successfully passed a series of six written examinations are eligible to attend.

Aim of the course is to ensure that an officer is capable of the practical application of the theory of tactics, staff duties and administration. It also determines his fitness to command and to carry out the duties of a Grade Two staff officer in the Militia.

The Militia course is a minor version of the Regular Army's staff course at the Canadian Army Staff College, Kingston, Ontario, which is of one year's duration. The two-week period of the Militia Staff Course is designed to fit in with the time officers can spare from their civilian occupations.

* * *

NEW CO FOR 1ST INFANTRY: Brigadier Arthur E. Wrinch, CBE, CD, 46, of Ottawa, will take over command of the 1st Canadian Infantry Brigade when it returns to Canada from Germany this fall, it was announced recently at Army Headquarters. He is now attending the Imperial Defence College in England.

Headquarters of the Brigade in Canada will be at Edmonton, Alberta.

(Continued from page 5)

shortages. All of us should be concerned that a solution of these difficulties can be found by public and private measures of restraint, without resort to the undesirable forms of import restriction that were present a few years ago. Happily, it would appear that the lessons of the last ten years or so have not gone unnoticed and fiscal and monetary measures are being used to restore a proper balance, thereby making it unnecessary to re-impose quantitative controls on imports.

"The economic recovery of Europe has been one of the most encouraging features of the last few years. Why is this important?

1. Because it gives strength to the NATO alliance by restoring social stability in Europe;

2. Because Western Europe is an enormous market for the food-stuffs and raw materials of the world, including Canada, and thus a more demand for exports.

"The results of recovery in Europe include:
(a) Control of inflation. Prices have been stable for three years, although measures to prevent a revival of inflation have just had to be taken in some countries, including the United Kingdom;

(b) Europe, instead of being an international borrower, or recipient of grants, is now increasing its investments abroad, particularly in the under-developed countries. That is, Europe is resuming its customary role as a capital exporter.

(c) Much progress has been made in removing undesirable restrictions on trade, such as import quotas and prohibitions and exchange controls.

"As a result of European progress, and of the dismantling of import controls, Canadian exports to the United Kingdom, for example, were 35 per cent higher in the first half of this year than they were last year.

"The benefits of increased exports are reflected in greater economic activity throughout Canada. For that reason and for others we must avoid doing anything which will make it difficult for overseas countries to sell their products in Canada, since only by selling to us and the United States can they obtain all the dollars they need to pay for their purchases from us.

"To sum up, it seems to me that we have indicated as a Government our desire to assist in cutting the costs of commodities by reducing taxes, and I can assure you that the only desire is to provide a climate for the intelligent and vigorous competition which has always marked the Canadian business world. We, therefore, ask you to take the same view, namely, keep costs down and aggressively seek business so that we can continue to improve our standard of living."



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WEEK'S EVENTS IN REVIEW

ALBERTA'S FIFTIETH BIRTHDAY: On September 6, the Prime Minister, Mr. St. Laurent, took part in the celebration of Alberta's Golden Jubilee at the Stampede Corral in Calgary. A portion of his speech on that occasion follows:

"...On this anniversary occasion we remember with affection and gratitude those many early pioneers who left their mark on this province. We recall those colourful cattle barons, known as the Big Four, who financed the first Calgary Stampede in 1912 - Pat Burns, George Lane, A.J. McLean and A.E. Cross. We think too of the popular negro rancher, John Ware, of W.W. Hunter of Olds, Dan Riley of High River, George Ross of Aden and many others. With affection and admiration we recall the deeds of the brilliant, silver-tongued lawyer and newspaperman, Patty Nolan, of Bob Edwards and his witty 'Calgary Eye Opener', and of those courageous missionaries, Father Lacombe and Reverend George John McDougall, and the others who had confidence in an unproven land.

"The confidence which we feel in Canada was not always as general as it is today. Less than two centuries ago Voltaire spoke of Canada as a few acres of snow which was not worth the money the French and English were spending to try to win it from one another. And in the early nineteenth century Lord Ashburton told the American Ambassador in

London, 'I wish the British Government would give you Canada at once. It is fit for nothing but to breed quarrels'.

"Fortunately, that was not the opinion of all men. Even at that time sturdy pioneers were moving westward across the plains inspired by visions of rich fields of grain and herds of cattle and great cities like Calgary and Edmonton. It was their faith and their toil that made it possible for Edward Blake to say of Canada a few years before Confederation, 'It is a goodly land; endowed with great recuperative powers and vast resources as yet almost undeveloped; inhabited by populations moral and religious, virtuous and thrifty, capable and instructed - the descendants of a choice immigration, of men of mark and courage, energy and enterprise, in the breasts of whose children still should glow the sparks of those ancestral fires'.

"I can think of no more fitting way of paying tribute to Canada's pioneers than to resolve to carry on the great task of nation-building they began with the same 'courage, energy and enterprise' Blake saw in our forefathers.

"When Sir Wilfrid Laurier came West to attend the inaugural ceremonies of the Provinces of Saskatchewan and Alberta fifty years ago, he forecast that the West would have a large part to play in Canada's future.

ADVANCE PARTIES FOR EUROPE An advance party of 65 all ranks from the 2nd Canadian Infantry Brigade left Montreal by air on September 3 bound for Dusseldorf, Germany, and Canadian Army duty in the Soest area.

The first of approximately 344 all ranks who are to fly to Germany during September, the draft consists of officers and men from the Royal Canadian Army Service Corps, Camp Borden, Ontario, The Royal Canadian Electrical and Mechanical Engineers, Camp Petawawa, Ontario, and the Royal Canadian Ordnance Corps.

Six flights will be required to transport the advance parties to their overseas postings. These advance parties will take over and prepare vehicles, equipment and accommodation in time for the arrival of the main body of the Brigade.

The bulk of the 5,000-man brigade will go to their two-year tour of overseas duty by ship during October, November and December.

* * * *

FEWER POULTRY: Estimated total number of poultry on Canadian farms at the beginning of June this year was 66 214,000 birds a decrease of 5,616,000 birds or 8% from the preceding year's total of 71,830,000, according to results of the Bureau's semi-annual survey.

Total hens and chickens decreased 8% to 62,045,000, small increases in Saskatchewan and Alberta being offset by decreases in the other provinces. In spite of increases in Nova Scotia, Ontario and British Columbia, turkey numbers at 3,277,000 were down 3% from last year.

Decreases in Ontario and Quebec offset in increases in Prince Edward Island, New Brunswick, Saskatchewan and Alberta and the number of geese on farms dropped to 357,000 from 366,000. Ducks at 535,000 increased in all provinces except British Columbia and were 9% more numerous than last year.

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TRUCE SENTINELS SPELLED: Two officers and 36 men of 3 Canadian Field Ambulance RCAMC, and supporting units sailed on August 29 for Seattle aboard the United States Naval Ship General Mann following the recent arrival of replacement troops in Korea.

Most of them left Canada during August 1954 and had been away from their homes nearly fourteen months by the time they reached their destinations for 60 days well-earned leave.

The draft was commanded by Captain Bill McJannett of Edmonton, Alberta, a medical officer with the field ambulance unit. Captain Allan B. McRae of Toronto, Ontario "Father Mac" of the Royal Canadian Chaplain Corps also sailed with the draft. He had been serving in Korea since July 1954 with the 2nd Battalion Queen's Own Rifles of Canada, and the 3rd Canadian Field Ambulance.

TOP COMMANDER VISITS BRIGADE: The Supreme Commander Allied Powers in Europe, General Alfred M. Gruenther, made his first official visit to Canada's 1st Infantry Brigade Group in Germany recently.

General Gruenther arrived at a Royal Air Force station near the Canadian Brigade's Headquarters in Soest where he was met by the formation's commander, Brigadier W.A.B. Anderson of Ottawa.

He then visited the Brigade Headquarters site where he was met by a 100-man Guard of Honour from the 2nd Battalion, Princess Patricia's Canadian Light Infantry.

Following an address to all officers of the formation, he was guest of honour at a reception and mess dinner. Later in the week, General Gruenther travelled to Fort St. Louis, home of the Royal 22e Regiment (Van Doos), to see a display of the brigade's organization and equipment.

Before concluding his visit, General Gruenther took the salute at a brigade parade and march-past.

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LUMBER PRODUCTION INCREASED: Canadian production of sawn lumber increased in May and the first five months of this year as compared with a year earlier. British Columbia's output of sawn lumber and ties rose to 383,376,000 board feet in May from 338,208,000 a year ago and to 1,943,547,000 board feet in the five months from 1,586,947,000 East of the Rockies the output rose to 301,489,000 board feet in May from 277,239,000 and in the five months to 1,237,745,000 board feet from 1,105,074,000.

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CANADIAN ENTERTAINERS FOR FAR EAST: A three-member Canadian concert party will leave Vancouver in mid-September for a scheduled three-week tour of Canadian and Commonwealth units in Japan and Korea.

The party will be headed by a popular Toronto comedian Gerald Leader, 30, who has appeared with Xavier Cugat, Danny Kaye, and other radio and TV personalities.

* * * *

MORE CANADIAN NATO AID: Nine ships will sail from the ports of Hamilton and Montreal in September with NATO military supplies and equipment for Italy, Portugal, Norway and Denmark.

The cargoes will include trucks, rocket launchers, power units, ammunition and artillery tractors.

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Sales of Canadian products to Sweden jumped to \$3,525,000 in the first half of this year from \$1,305,000 in the January-June period of 1954.

MARTIN WITNESSES C.D. EXERCISE: During the recent joint Canada-United States Exercise "Alert II", Mr. Martin made a tour of the Control Room at the Sudbury Headquarters, the centre for operations during the exercise. Mr. Ted Smythe, Sudbury's Civil Defence Director, put Mr. Martin in the picture on the situation in Sudbury following a hypothetical H-bomb attack. The Minister spoke to a large gathering at headquarters telling them that "while today, you go through a theoretical exercise in meeting the aftermath of thermonuclear warfare, I would like to remind you people here, and other Canadians, that this could actually happen. It is the duty of every citizen, without one exception, to do something about civil defence", he emphasized. "If war should come, it is not difficult to visualize the devastation that would result. Should an H-bomb drop on Toronto, it could be felt as far away as Sherbrooke, if the prevailing winds were west to east. I urge every Sudbury and district resident during this visit, to get behind civil defence. The strength here is about 500 persons working for civil defence. Everyone has a role to play - it's for the doctor, the lawyer, the businessman, the tradesman, the labourer - it's for everyone".

Stating that in Canada today there are 172,000 civil defence workers in 800 Canadian communities where civil defence organizations flourish, Mr. Martin said: "I don't say we are ready - there is no country in the world today that is ready. Federal and provincial governments here in Canada now have an agreement to support civil defence, so let's get together and follow their lead - let's support and take part in civil defence".

Mr. Martin congratulated the Director and headquarters staff on the nucleus organization they had built up, and urged them to go on building it stronger day by day. Before leaving, the Minister accepted a cup of coffee from Mrs. M. Quellette, Emergency Feeding Instructor, who had prepared buckets of steaming coffee for civil defence workers and rescue squads during the supposed mass evacuation of "bombed" victims.

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COLOUR PRESENTATION TO RCR BAND: The band of the Royal Canadian Regiment will sail from Quebec City aboard the Neptunia on September 15th, bound for Bremerhaven, Germany, and a performance before His Royal Highness the Duke of Edinburgh.

The 52-piece band under the direction of Captain J. Purcell, of London, Ontario, will play at the presentation of the Queen's and Regimental Colours to the 2nd Battalion. The Royal Canadian Regiment, prior to their leaving Germany on rotation. The 2nd Battalion, formed at the outbreak of the Korean War, saw service in Korea and is now completing its two-year tour of duty in Germany.

The Duke of Edinburgh will formally present the colours at a ceremony scheduled to take place at Fort York near Guterslohe, Germany, October 17th.

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CANADA'S FAMILY ALLOWANCES: The Family Allowances Act was introduced in 1944 (with the first payments being made in July, 1945) as a basic social security measure designed to assist in providing equal opportunity for all Canadian children. The allowances involve no means test and are paid entirely out of the Federal Consolidated Revenue Fund. They are not part of taxable income, although persons with children eligible for family allowances obtain a smaller income tax exemption for such children than for children not so eligible.

Allowances are payable in respect of every child under the age of 16 years who was born in Canada or has been a resident of the country for one year, or whose father or mother was domiciled in Canada for three years immediately prior to the birth of the child. Monthly payment is made normally to the mother although any person who substantially maintains the child may be paid the allowance on his behalf. The allowances are paid at the following monthly rates:

\$5.00	for each child under 6 years
\$6.00	for each child from 6 to 9 years
\$7.00	for each child from 10 to 12 years
\$8.00	for each child from 13 to 15 years

The allowances are paid by cheque, except for Eskimo children and a group of Indian children for whom payment is made largely in kind because of lack of exchange facilities in remote areas and the need for education in the use of nutritive foods.

Family allowances are administered by the Department of National Health and Welfare through regional offices located in each provincial capital.

The annual cost of the family allowances programme is currently running at some \$380,-000,000. For the month of July, 1955, 2,220,-578 families were receiving allowances on behalf of 5,248,557 children, totalling \$31,-674,089. Since the payment of the first allowance in July, 1945, the cumulative costs of the programme have totalled approximately \$3,000,000,000. It is of interest to note that the total administrative costs of the programme have never exceeded 1.6 per cent of the amount paid in allowances.

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There were 88 policewomen in Canada at the start of last year, one more than a year earlier. Ontario had 31, Quebec 24, British Columbia 17, Alberta 12 and Nova Scotia, New Brunswick, Manitoba and Saskatchewan one each.

CIVIL DEFENCE AGAINST FLOODS: A serious flood situation developed in the Brandon area in the Spring when a sudden break-up in April forced a heavy run-off in the Assiniboine River, which was followed in May by heavy rains in the Assiniboine and Qu'Appelle Valleys.

The civil defence organization in Brandon went into action working in conjunction with the City Welfare Department. In April the civil defence rescue truck was used to move families from the danger areas. In May when the heavy rains produced a very serious situation, it was a race for time between the City Works Department and the waters of the Assiniboine to see whether the level of the dykes could be kept raised along a two mile stretch. The threat was twofold - water pouring over the dykes - and/or the force of 6 to 8 feet of flood waters crashing through the dykes. In either event a flash flood would present a very serious danger.

On 14 May, from a tour of the dykes and confirmation by engineer's report, it was obvious that the crest would reach the city by the following Wednesday. A joint warning, signed by the Mayor and the Civil Defence Director, G.R. Rowe, together with a questionnaire, was distributed to each family in the danger area by civil defence personnel by house-to-house method. The information thus received was turned over to the City Welfare Department in order to arrange emergency accommodation. The Civil Defence Director broadcast a warning over the local radio station and details were carried on C.P.

FAMILY EVACUATION

On 16 May, the Civil Defence Rescue Service removed three families from the danger area. At noon on 17 May, the Mayor issued an order to threatened families to evacuate. Civil Defence immediately broadcast an appeal over the local station for its rescue personnel and other volunteers to report to the Fire Hall. Working in three shifts, they evacuated six additional families. Thirty-five school children without transportation were cut off from school by the rising waters and the Civil Defence rescue truck provided transportation to and from school for these children until the waters subsided.

The Civil Defence Director was in constant contact with the Provincial Civil Defence Coordinator, Col. A.C. Delaney, who provided cots, blankets and sandbags from provincial stores and was most anxious to help in every way possible. The battle against the flood was won on 18 May when the waters reached their highest level and city workmen maintained a margin of safety on the dykes.

The civil defence organization worked through and with the proper authorities to meet the situation and has won community-wide recognition and gratitude for its effectiveness.

CANADA'S TECHNICAL AID CHEQUE: On August 30, Dr. R.A. MacKay, Canadian Permanent Representative to the United Nations, presented a cheque for \$1,500,000.00 (U.S.) to the Director-General of the Technical Assistance Administration, Dr. Hugh Keenleyside, at the UN headquarters in New York. This sum represents Canada's contribution for this year to the Expanded Programme of Technical Assistance. Canada has now contributed \$5,-322,727.00 to the Programme since its establishment in 1950.

In addition to a Technical Assistance Programme financed within the ordinary budget of the UN and its Specialized Agencies, a much larger scale Expanded Programme of Technical Assistance is financed from voluntary contributions from member governments.

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SAANICH LAND PROJECT: A \$245,000 land-assembly project for the servicing of 130 residential lots in Saanich, B.C., had been arranged under the National Housing Act. Federal Public Works Minister Robert Winters said on August 29.

The land, an area of approximately 52 acres, was owned and made available for the project by Central Mortgage and Housing Corporation. In addition to the 130 lots, the project also provides for an apartment site and a shopping centre. The cost will be borne, on a 75 per cent - 25 per cent basis, by the Federal and Provincial Governments.

Agreements have been signed between the federal and provincial partnership and Central Mortgage and Housing Corporation, and also between the province and the municipality. When servicing of the lots is completed, they will be sold by Central Mortgage and Housing Corporation.

* * * *

HEAT REDUCES MILK YIELD: The heat wave that gripped Canada in July cut milk production by an estimated 5 per cent, according to the Dairy Review published lately by the Dominion Bureau of Statistics. With temperatures across the country generally exceeding those of any July since 1914, the yield was reduced to 1,820,000,000 pounds, some 130,000,000 pounds less than in July last year. Pastures dried up and farmers were forced to do a great deal of supplementary feeding to maintain the milk flow, the Review states.

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Canadian exports to Turkey were worth only \$380,000 in the first half of this year as compared with \$4,768,000 in the first six months of 1945.

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Sixty-four murders were known to the police in Canada in 1953, three less than in the preceding year.

CANADIAN LABOUR TODAY: Addressing the Labour Day luncheon at the Canadian National Exhibition in Toronto, the Honourable Milton F. Gregg, Minister of Labour, spoke, in part, as follows:

"...During the early postwar years, trade unions for the first time gained recognition and acceptance in many previously non-unionized Canadian industries. The result was to place the movement as a whole in a new position of economic stability -- a position in which consideration could be given to something more than survival.

"Since that time, a steady broadening of activities has taken place. In recent years, many Canadians have been impressed by labour's concern for broad community problems at home and the interest it has taken in international affairs as well.

"Canadians have also been impressed by the emphasis the unions have placed on educational and research activities, which in my opinion adds to the vigour of trade union democracy and the effectiveness of collective bargaining.

"Recent events point towards an early amalgamation of the Trades and Labour Congress and the Canadian Congress of Labour.

"Formation of the new Congress will highlight labour's accomplishments in recent years and may mark the beginning of a new era for Canadian labour.

LABOUR-MANAGEMENT RELATIONS

"It does seem to me that there have also been in this past decade some quite valuable improvements in the relationship between labour and management.

"For this, much of the credit must go to the many trade union leaders and representatives of management who, from years of experience with each other, have gradually learned how to approach in a realistic way the complex problems of collective bargaining.

"Some credit must go to the press, and the other media of communication which have made it possible for the Canadian people to grow in their understanding of the place of collective bargaining in a democratic society.

"Most helpful too in improving the labour-management relationship were the laws developed during the period, patterned after the Canadian Wartime Labour Relations Regulations introduced in 1943.

"Without certification of bargaining agents, compulsory collective bargaining and the required use of prescribed forms of conciliation it would have been very difficult in the relatively few years since then to develop the stability in industrial relations that we now enjoy....

"As we face the second postwar decade, the average Canadian is better housed, better clothed, better fed and, if you consider television a good thing, better entertained than ever before. Furthermore, when our prospects for further economic developments are

considered, it seems entirely probable that the average Canadian of 1965 will be even better off than we are today....

"If we in Canada, therefore, are interested in our own welfare, we would be well advised to continue looking beyond our borders.

"It was for this reason that I did some close observation during my absence from Canada during the earlier part of this summer.

"The occasion for my absence was the Annual Conference of the International Labour Organization at Geneva. After it was over I had a chance to observe the working conditions and the industrial picture in several other countries....

"I was very proud of our team with its equal three-way representation of Canadian workers, of Canadian employers and of Canadian government....

"The fact that the ILO, the only surviving organ of the old League of Nations now affiliated with the UN, could receive in the last two years the Soviet group of representatives without seriously jarring the organization is important.

BENEFITS OF CO-OPERATION

"But more important perhaps is the permanent effect that such international collaboration has upon the delegates themselves and the reports and interpretations they are able to carry back home to those they represent.

"This applies across the board to the worker, employer and government representative.

"...Such bodies have had the fullest support of our Canadian workers. I extend my congratulations to union leaders here today for the part they have played in these efforts, whose final aim after all is world peace and security against tyranny and privation....

"In many ways, the development of organized labour in the past decade has been accompanied by a similar development in the nation itself. Our increase in population and production, our continued close association with both the British Commonwealth and the United States, and our willingness to share in the conduct of international affairs in the defence of the free world and in the breaking down of trade barriers, have won for us a new position of responsibility in the family of nations.

"Evidence of this is not hard to find. For one thing, our intervention in the UN, NATO or the ILO discussions is almost always welcomed. When our representatives speak they are listened to with respect; and their suggestions are sometimes acted upon.

"For another thing, Canadians are much in demand when it comes to tasks with serious international responsibilities and opportunities....

"In this connection I would like to make special reference to some 160 Canadians, from the Armed Forces and the Department of External Affairs, who are making a contribution to stability in a troubled part of Asia by assist-

ing in the supervision of cease-fire agreements in Indochina. Working under conditions that are found difficult, and carrying a heavy load of responsibility, they are doing a job that was by no means sought by Canada. Rather it was a case of Canada being asked by other nations to undertake this responsibility.

"Some people seem to think that, during the past ten years, Canada has assumed a burden of international responsibility that is far out of proportion to the size of its population. Nothing, I think, could be farther from the truth. If we were going about this in a pushing cocksure fashion there would be real cause for criticism. But we are not: we approach it with humility and earnestness for we have everything at stake. Our population may be small but it has a great craving for the opportunity to carry out, uninterrupted, development of our resources for peaceful purposes.

"Canadians would have as much to lose from another war as any people on the face of the earth. It seems to me only natural that they should be prepared to enter with vigour into the work of maintaining peace.

"Canadian organized labour has made it very clear that it is so prepared.

PEACE WORK

"It has never been easy work, as the events of the past ten years have shown. The recent change in Soviet attitudes may mean a better future. It may mean that; but it may not. At the moment, any conclusion would be premature. We have had enough experience with the unpredictable fluctuations of Communist policy to know that things are not always what they seem.

"In the circumstances, it would be courting disaster to abandon our policy of watchful preparedness. At the same time, we must make every effort to find solutions to the many problems that lie at the root of international tension.

"It seems certain that, in their efforts to find the right formula, the leaders of the free world will need all the help and guidance they can get from their own people, individually and through their respective organizations.

"It may well be that, because of labour's long experience with the dangers of Communism and its early devotion of the ideal of international brotherhood, the labour movement can be in a particularly good position to provide the kind of guidance that will be needed.

"I would ask you in the trade unions to keep this in mind as you move on into the second postwar decade. To a very large extent, the future may depend on the extent to which you meet the responsibilities you have as members of one of the most important institutions in one of the best countries in the world...."

ALBERTA'S FIFTIETH BIRTHDAY

(Continued from P. 1)

Sir Wilfrid's confidence has been abundantly justified. And if we continue along the path traced by those courageous and steadfast men and women who did so much to bring about provincial status for the Northwest Territories of fifty years ago, the twentieth century will indeed belong to Canada.

"...Alberta is one of the richest of the ten provinces and its future possibilities are almost boundless. In addition to your rich farm lands and your forests, you have reserves of oil, gas, coal, electrical power and minerals in quantities which entire nations might well envy. This happy combination of agricultural and industrial resources will give Alberta a more diversified economy, thus eliminating many of the hazards which result from dependence on one or two products. Of course, wheat and livestock will keep their important place in the economy of the West, and the produce of Canada's farms will continue to feed the millions of people throughout the world who depend on us for much of their daily food.

PIPELINE PROBLEMS

"As Canada's industries expand, as new mineral sources are tapped and as her farms become increasingly mechanized new problems will arise which were unknown in a less complex economy. One of the most immediate of interest to all Canadians, and of particular interest to this audience, is the discovery of a means to convey a portion of the huge natural gas reserve to markets in Eastern Canada. Just a few weeks ago my colleague, Mr. Howe, discussed this problem here in Calgary with Premier Manning. We have had similar talks with Premier Frost of Ontario and we are confident that the efforts of the various governments concerned added to those of the natural gas industry will find a solution to this problem. All Canadians are looking forward to the day the pipeline begins, for they recognize it will be an event of real benefit to all parts of Canada.

"The great future that can lie ahead will only become a reality if we can work together as Canadians in the common interest and not as members of a particular section or narrow interest. That is the challenge before Canadians today. And because I am confident you will do your part to meet that challenge, I am happy indeed to bring you good wishes as you pause to celebrate your Golden Jubilee..."

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The number of dolls produced in Canada rose to 189,190 dozen in 1953 from 162,486 dozen in 1952, and factory value increased to \$3,410,-457 from \$2,911,985.



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WEEK'S EVENTS IN REVIEW

PROBLEMS OF THE TERRITORIES: At the opening of the second session of the 1955 Council of the Northwest Territories in Fort Smith on August 29, Commissioner R.G. Robertson spoke, in part, as follows:

"It is appropriate that the Council should be meeting once again in Fort Smith, which is not only the administrative centre of the Northwest Territories but also the head of the long water transportation system of the Territories: the Slave River, Great Slave Lake, Mackenzie River system. While there are a number of problems to be faced in the economic development of the Northwest Territories, few people will disagree that the most difficult and important is transportation. In part this is purely a matter of distance, the long distance which the mining centres and other settlements in the Territories are from their markets and sources of supply. Edmonton - the 'jumping off' place for the Territories - is by rail 2,000 miles from the markets and manufacturing centres of eastern Canada. Yellowknife, by rail and water is another 886 miles from Edmonton, and Yellowknife is only on the southern edge of the Territories. Distance in transportation results in increased cost, and high costs are a problem throughout the economic structure of the Northwest Territories.

"Another aspect of the transportation problem derives directly from the inherent nature of the Territories, or of any other pioneer region. The long distance between settlements and the sparse population make

traffic density very low. This in turn makes any form of transportation expensive and tends to discourage the provision of adequate services. The cheapest form of transportation in a pioneer country is the water routes. When these happen to be rivers like the Yangtze, the Irrawaddy or the Amazon, they prove very satisfactory for the region within easy reach of them. When the river in question happens to be the Mackenzie and its tributaries, flowing through a climate that is cold a good part of the year, and closed to navigation for about eight or nine months out of twelve, its utility is distinctly limited.

"The high transportation costs affect enterprises in the Territories in several ways. They are a direct burden on the expense of bringing in equipment and operating supplies and of shipping out concentrates and other products. They are also an indirect burden because the higher costs of living, due in substantial part to the costs of transportation, make it necessary to pay more for labour in one form or another, whether by higher wages or by subsidized board and lodging or free transportation or other benefits. In addition, the short navigation season requires the keeping of high inventories, a costly process. The slowness and infrequency of river transport may cause loss of production time through delays in getting necessary spare parts or equipment. All these costs taken together represent a formidable total. As a result, any programme designed to stimulate

the economic development of the Territories must have as its kernel a determined attack on the problem of transportation.

"Members of the Council will recall that at the last session two matters relating to transportation were discussed at some length. The first concerned the level of rates charged for the movement of freight on the river system. After the session the president of the Northern Transportation Company Limited and I, along with officials of the Northern Transportation Company and of the Department of Northern Affairs, had several discussions on this matter. Later a substantial reduction in freight rates between many points on the Mackenzie River system was announced by the Northern Transportation Company for the current navigation season. Following the freight rate reductions by Northern Transportation Company, Yellowknife Transportation Company announced similar reductions.

"At about the same time that these discussions on water freight rates were going on, Canadian Pacific Airlines, following public representations from Yellowknife, carried on discussions with the Air Transport Board which led to a substantial reduction in air passenger rates between Yellowknife and points in the Northwest Territories. These reductions amounted to 17 per cent between Edmonton and Yellowknife and to a much larger percentage between certain other points where the previous rate had been proportionately higher.

WATER FREIGHT RATES

"I think that members of the Council will agree that these reductions in water freight rates and air passenger rates will be of substantial assistance to the Territories. It is important to recognize that assistance to territorial development is likely to come, not through any one revolutionary change, but through a variety of adjustments which, in their cumulative effect, will achieve significant proportions.

"We are not permitting the fact that some progress has been achieved to beguile us into letting the grass grow under our feet from now on. I would like to mention three further matters relating to transportation to which active study is being given.

"The first of these is the second matter which was raised at the January session of this Council, the question of a ferry service between Hay River and Yellowknife. It was advocated that the Government should take steps to institute such a service and should be willing to subsidize it if this proved necessary to get the freight rates sufficiently low to stimulate economic activity in the Great Slave Lake area. The matter has been gone into very carefully and discussed with officials of government agencies that would be concerned. It appears that a vessel to fulfill the requirements proposed in the Council meeting would cost at least \$750,000 and possibly substantially more. Even assuming that all of

the freight to Yellowknife which now goes via Waterways would be transferred to the Mackenzie Highway and the ferry, this service would require an annual subsidy of around \$100,000. Before the Federal Government can be persuaded to use money obtained from general Canadian taxes for such a purpose it will have to be convinced that such an expenditure is in the national interest. We, too, in our responsibilities for the Northwest Territories, would wish to be sure that expenditure on a ferry would be the best way in which such an amount of money could be spent in the interests of the Mackenzie valley as a whole. The proposal is one that will continue to receive attention as conditions in the Great Slave Lake region develop.

"The second matter is the question of government assistance in the building of development roads. During the last session of Parliament, there was considerable discussion of the problems of northern development, both in the House of Commons and in the Special Committee which studied the estimates of the Department of Northern Affairs and National Resources. During these discussions a number of Members of Parliament urged the Government to do more to further the development both of the Northwest Territories and of the Yukon Territory by the construction of roads into promising mining areas. We have been giving considerable study to this matter. It will be taken up with other departments of the Government which are concerned and I hope that I may be in a position to make a further statement at the next session of the Council.

PINE POINT RAILROAD

"The third matter is the question of a railroad to Pine Point. The Minister of Northern Affairs made a statement on this subject in the House of Commons last May. After mentioning that at Pine Point on the south shore of Great Slave Lake there lies what we believe to be the greatest known ore body of lead and zinc, Mr. Lesage said:

"We hope that the Consolidated Mining and Smelting Company will soon see fit to have definite plans for the development and exploitation of this vast ore body. We hope that it will be possible to work out with them some kind of arrangement under which transportation facilities will be available to take out the ore. I have said, both outside the House and in the Committee, that we hope it will be possible in days not too far off to have what is still the cheapest kind of transportation for distances of 300 or 400 miles or more, and that is a railway line from Grimshaw to Pine Point. We have been discussing, and still are discussing the economic implications of such a project."

"There is little that I can add to this statement except to emphasise that the matter is being studied most actively. The railway would benefit Canada's economic development substantially. In addition to permitting a

LATIN MILLERS VISIT CANADA: Two representatives of the flour milling industry in Colombia and Ecuador and two officials directly concerned with the importation of wheat and flour in Venezuela and Peru arrived in Ottawa on August 23. They will spend a month in Canada, making first-hand studies of the production, grading, milling, storage and merchandising of Canadian wheat and other grains.

During their stay in Ottawa they visited the Department of Trade and Commerce and the Central Experimental Farm, where they observed plant-breeding work in progress.

In Winnipeg, from August 28th to August 31st, the visitors had the opportunity of discussing merchandising problems with representatives of the Canadian Wheat Board and the Board of Grain Commissioners for Canada. They also visited the Dominion Laboratory of Plant Pathology and the Dominion Laboratory of Cereal Breeding.

After visiting Fort William and Port Arthur on September 2nd to examine the elevator and port facilities at the Lakehead, they returned to Winnipeg and joined eight flour millers from the United Kingdom on a flight to Churchill, where they inspected storage and grain-loading facilities on Hudson Bay and saw some of the vessels that had come through the Hudson Strait to take on wheat and other grain for European ports.

POR T FACILITIES

The group will next proceed to Vancouver, where they will examine the port facilities and grain elevators on September 11th and 12th returning to the Prairie Provinces to see something of the harvesting operations.

A somewhat similar delegation of flour millers from Brazil visited Canada in 1953, in order to familiarize themselves with production, grading, milling, storage and merchandising problems in this country.

Personnel of the mission are: Señor Douglas Botero, General Manager of the National Association of Mills, Colombia; Señor Jose Briceno, Director of Commerce and Patents, Ministry of Development, Venezuela; Señor Francisco Cobo, Vice-President of the Ecuadorean Millers Association, Ecuador; and Señor Raymond Remolina, Assistant Manager of the Agriculture Development Bank, Lima, Peru. Mr. W.G. Brett, Assistant Trade Commissioner, Department of Trade and Commerce, is accompanying the group on its tour of Canada.

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The average value per head of cattle and calves on Canadian farms fell to \$106 last year from \$125 in 1953, the lowest level since 1948. While considerably below the 1951 peak of \$191, last year's value was higher than all years prior to 1949 and compared with a low of \$22 in 1934.

TELECAST LAKE ONTARIO SWIM: CBC-TV's plans for coverage of the Canadian National Exhibition Lake Ontario swim scheduled for September 6th will mark a double "first" for Canadian television -- 20 hours of continuous broadcasting by CBLT, and CBC's first direct signal pick-up from one of its mobile units aboard a naval vessel in Lake Ontario.

Batteries of lights will be set up at Niagara-on-the-Lake where the swim is scheduled to begin at 1:00 a.m., Tuesday, September 6. One of CBLT'S two mobile units, aboard a Royal Canadian Navy gate-vessel, will cover the start of the big swim, relaying its signal direct from the RCN ship to the CBLT tower on Jarvis Street.

Tests of cross-lake transmission have already been carried out from the S.S. Cayuga, indicating that a satisfactory signal can be obtained from Niagara-on-the-Lake.

The RCN gate-vessel will follow the course of the swim during the night and during the following day. Anti-aircraft searchlights aboard the ship will provide illumination during the night for the TV cameras of the mobile unit.

As the ship nears the official CNE swim stand at Toronto on the night of September 6, the TV signal will be relayed to another microwave unit on shore, and from there to the CBLT Tower. This will avoid interference when the ship moves into the "shadow" of Toronto's downtown buildings.

To cover the finish of the swim, the second CBC mobile unit will be parked near the finishing point, inside the breakwater at the CNE.

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TRANS-CANADA HIGHWAY FINANCES: Public Works Minister Robert Winters announced in Ottawa on August 26 that total contract commitments for the Trans-Canada Highway -- the coast-to-coast "main street" of Canada -- had rolled past the \$200-million mark.

At the end of last week the total amount committed by all the nine participating provinces was \$202,006,353.78. Of this the Federal Government was committed to pay half, or \$101,003,176.89.

To date claims have been submitted by the provinces and payments have been made by the Federal Government in the total amount of \$66,-514,217.33.

The biggest recent increase in contract commitments has been in Nova Scotia, where the total amount has jumped from \$2,924,545.00 to \$3,566,615.00.

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Net general expenditure, exclusive of debt retirement, of Canada's ten provincial governments averaged \$85.16 per capita in the fiscal year ended March 31, 1954, provincial per capita figures ranging from \$57.73 in Manitoba to \$139.66 in British Columbia.

FOWL FINERY: Some western ducks will be wearing bright neck bands this fall. The new banding technique has been introduced by the Canadian Wildlife Service to identify ducks in flight.

The neck bands are of flexible coloured plastic, some bearing symbols in contrasting colours. The colours and symbols will enable biologists to relate groups of ducks to particular areas of the West and plot their day-by-day movements from the time they learn to fly until they leave for the south. Such information may help solve the problem of crop damage by ducks.

Hunters and farmers spotting the banded ducks can co-operate in the research by writing the Chief of the Wildlife Service at Ottawa with the date and location of the sighting as well as a good description of the colours on the neck band. No stamp is required on the letter and the Wildlife Service will reply with information on where and when the ducks were banded.

* * * *

VANIER VISITS "VAN DOOS": Major-General George Vanier, DSO, MC and Bar, former Canadian Ambassador to France and Honourary Colonel-in-Chief of the Royal 22e Regiment, recently completed a one-day visit with his unit's 2nd Battalion in Germany.

He was met at Dusseldorf Airport by Colonel George Spencer, Commander, Canadian Base units in Germany.

After inspecting a battalion parade and taking the salute in a march-past, General Vanier spoke briefly to the troops. He complimented them on their achievements and spoke of the battalion's excellent record while serving as part of Canada's NATO forces.

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FIRE LOSSES IN JULY: In Canada, during the month of July, 1,572 forest fires were reported which burned about 528,000 acres. The area burned was almost double the total for the previous three months.

These figures do not include the Yukon or Northwest Territories, but it is reported that these areas are experiencing a severe fire season.

These fire statistics are supplied monthly to the Associate Committee on Forest Fire Protection of the National Research Council.

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Dominican Envoy Arrives: The Department of External Affairs announced on August 25 that His Excellency Dr. Manuel Pastoriza Valverde had presented to the Honourable Mr. Justice J.H.G. Fauteux, Deputy Governor-General, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of the Dominican Republic to Canada. The ceremony took place at the Supreme Court Building.

AIR NAVIGATION CONFERENCE: A four-week Air Navigation Conference began at the International Civil Aviation Organization headquarters in Montreal on August 30. Among the items to be discussed during the meetings were:

Radio Aids to Final Approach and Landing. The ultimate objective of these aids is to make it possible to conduct "all-weather" flying operations; existing aids help aircraft to land under certain bad weather conditions, but when forward visibility or cloud ceiling is too low, aircraft must be diverted to other landing fields. The conference will discuss the possibility of making changes in the present ICAO International Standards for the Instrument Landing system (ILS) to provide better guidance for the pilot in aligning his aeroplane with the runway approach lights as he comes in for his landing.

Long-Distance Navigational Aids. These are necessary in areas of the world where the installation of short or medium range aids is impracticable - such as the oceans or sparsely populated regions. Avoidance of bad weather conditions is highly desirable but may be hampered by inability to fix an aircraft's position accurately; also, in some areas where position information must be derived from long-range navigational aids or from dead reckoning and celestial navigation, insufficiently accurate position fixes may result in traffic delays because of the necessity of maintaining greater separation between aircraft than would otherwise be required. The great increase in air traffic in some of the areas where long-range aids are necessary has made it important to agree upon operational requirements so that international standards for long-range navigational aids has not been possible because of lack of agreement upon the characteristics that these aids should have, although ICAO has recommended the use of three different systems on a temporary basis until a long-distance aid is available that would be universally acceptable.

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NATO REGIONAL COMMITTEE TO MEET: Commencing Monday, September 12, meetings of the Canada-United States Regional Planning Committee of the Canada-United States Regional Planning Group will be held in HMCS Cornwallis, Cornwallis, Nova Scotia. This group is part of the North Atlantic Treaty Organization and is charged with planning the defence of Canada and the United States within the scope of NATO.

The Regional Planning Committee is responsible to the Chiefs of Staff Committee of the Regional Planning Group, which is composed of the Service Chiefs of Staff of Canada and the United States.

Meetings of the Canada-United States Regional Planning Committee are held as frequently as business requires. The previous meeting was held in Kingston, Ontario, 16 - 19 of May this year.

HYDRO DEVELOPMENT THREATENS FRASER FISHERIES

SALMON SURVIVAL PROBLEM: Discussions respecting the industrial development of the Fraser River watershed are giving grave concern to the fishing industry. Scientists express fears that full power development of the Fraser and Thompson systems will doom the valuable salmon fishery. The following comments on the subject are extracts from a statement made by Senator Thomas Reid (Chairman of the International Pacific Salmon Fisheries Commission) to General A.G.L. McNaughton (Chairman of the Canadian Section, International Joint Commission) and to the Governments of Canada and the United States, on June 3, 1955:

"The Commission, in planning for full rehabilitation of the Fraser River sockeye, has carefully analysed the possible effects of the developing industrialization of the river basin on the sockeye. Our conclusion has been that the only insurmountable obstacle to the maintenance of the sockeye salmon would be the random hydro-electric development of the river's potential power resources. It is recognized that, if no substitute power source becomes available, the economic benefits of the food resource produced by the river must be balanced by impartial government against the economic benefits derived from hydro-electric power. To date industry and government have seen fit to protect the sockeye food resource by planning developments that do not conflict with its maintenance. The great Kitimat project was developed on the Nechako River instead of, as originally proposed, at Chilko Lake. The provincial government of British Columbia decided not to build a dam on the Quesnel River and instead is considering the power potential of the North Fork of that stream and the North Thompson River where the maintenance of fisheries is not a serious problem. The Commission and all other fisheries agencies are trying desperately to neutralize the adverse affects of possible power development in migratory channels by evolving fish-saving devices, but since we are dealing with live animals in a great mass of fluid medium and with reactors rather than physical barriers the hope of success is extremely small. In the meantime the great developments of the present atomic age have brought about a change in thinking in the short period of two or three

years; instead of the belief that thermal power will never replace hydro-electric power, the idea is now held that the cost of hydro-electric power and that of thermal power may reach equality in a few years....

"We are concerned first and most seriously with the effect of any dam, regardless of its height, on the up-stream movement of mature sockeye. In 1954 an escapement of 1,250,000 sockeye passed up the Fraser River in 24 hours en route to the South Thompson River and it is anticipated that in future years when the Quesnel run is restored similar phenomenal escapements to the Upper Fraser will occur. Even though the Hell's Gate Fishways are probably the most efficient in the world and approach hydraulic perfection, the 1954 escapement to Adams River was delayed approximately four days at this point. We have already mentioned the effect on the productive capabilities of sockeye of the prolonged delay in passing Hell's Gate prior to the construction of the fishways and it was adequately proven that most of the fish that were delayed 12 days or more at Hell's Gate did not reach their spawning grounds at all. If a series of dams were constructed in the Fraser Canyon and the Thompson River, the cumulative delay at each dam of the large escapements that are the mainstay of the rehabilitated resource would eventually destroy the affected populations. This would happen regardless of the heights of the dams and regardless of the effectiveness of the fishways constructed to pass the migrating fish.

"The effect of delay at the proposed dams, regardless of their height, and the probable inability of the scientist to eliminate downstream mortality, combined with the possibility in such a situation that other dams may be built eventually on the Upper Fraser, raises the serious question of whether the required tens of millions of dollars should be spent in attempting to provide effective fish-protective facilities. On preliminary inspection of the proposal, we would be extremely hesitant to recommend fish-protective facilities in what could easily be a futile attempt to save the great Fraser River sockeye salmon industry, if the Fraser and Thompson systems are to be fully dedicated to power development...."

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REFINED PETROLEUM INCREASED: Output of refined petroleum products in Canada in 1954 climbed to 159,935,615 barrels from 146,037,-096 in the preceding year, DBS reports. Receipts of crude during the year increased to 169,452,850 barrels from 150,751,697. Domestic supplies rose to 92,679,819 barrels from 69,345,587 but imported supplies fell to 76,-773,031 barrels from 81,406,110.

Canada's ten provincial governments spent \$566,000 on civil defence in the fiscal year ended March 31, 1954, Alberta leading with an expenditure of \$245,000, followed by British Columbia with an outlay of \$208,000. Ontario spent \$37,000, Saskatchewan \$34,000, Manitoba \$25,000, New Brunswick \$6,000, Nova Scotia \$5,000, Quebec \$4,000, and Newfoundland and Prince Edward Island \$1,000 each.

PROBLEMS OF THE TERRITORIES

(Continued from P. 2)

very large and important lead-zinc mine to come into production at Pine Point, it would do a great deal to open up the entire District of Mackenzie, an area of 530,000 square miles covering land known to be rich in a wide variety of natural resources. However, the cost of this railway would be great - in the neighbourhood of \$50 million - and the traffic density, at least for some years to come, would be much lower than that required to make the line pay at current freight rates. Therefore, a large proportion of the capital cost, and perhaps the whole of it, would have to be borne by the Federal Government. Clearly, a decision of this magnitude cannot be made lightly and without thorough study and consideration. As much information as possible is being gathered on all aspects of the question.

"Now I wish to turn for a few minutes to a totally different subject and one on which unfortunately I cannot give as encouraging a report as I have on transportation. It is the matter of the barren ground caribou. A disturbing decline appears to be taking place in their number. It is quite unnecessary for me to emphasize to the members of this Council the importance of caribou to the north country. They have provided, and still provide, a major source of food and clothing for the Indians and Eskimos of the Northwest Territories. It was because of this importance that a survey of the barren ground caribou in the Territories was undertaken in 1948 and 1949 by the Canadian Wildlife Service. The report on the survey estimated a caribou population of about 668,000 at that time and an annual decline of about 32,000. Following this more detailed studies of particular areas were made and this spring a complete re-survey was undertaken. The best census techniques which the Canadian Wildlife Service had been able to develop in eight years of survey work were employed. The survey was undertaken by low-flying aircraft and over 38,000 miles were flown in the western section alone. From examination of some of the flight maps and from discussions with the officers concerned, it seems probable that no significant caribou populations have been missed. While obviously a substantial margin of error has to be expected in a survey of this kind, we are of the opinion that the original census figures and the new ones are sufficiently accurate to form a basis for assessing the situation.

"A digest of the report has already been placed before you. From it you will have seen that the barren-land caribou population, estimated in 1948-49 to be 668,000, is, after the 1955 survey, estimated to be 300,000. The rate of decline of 32,000 animals a year, estimated in 1949, would have brought the population in 1955 to about 476,000. The

variation between this figure and the estimate of 300,000 is within the bounds of what might be possible in dealing with remote animal populations. Alternatively, some new factor may have hastened the rate of decline. Possibly adverse factors have led to very low reproduction. Whatever the reasons are, and it is most difficult to be sure what they are, the results are highly distressing.

"There is little reason to think that the decline can be explained by unreliability of the surveys. While the 1948-49 survey covered less mileage than in 1955, the transect widths used were greater and the total coverage was good. In the 1955 survey the coverage was so complete as, to all intents and purposes, to obviate the possibility of missing large herds. A significant fact is that no major herds were found, particularly in the western sector, comparable to those seen in 1948-49. It may be necessary to have another general survey at a very early date to see whether it confirms the 1955 survey or throws any new light on the situation. For the present, however, I think it is incumbent on us to view the results of the 1955 survey most seriously and to consider what can and should be done.

"Various lines of action to try to arrest this apparent decline in the caribou population are suggested in the report. One of the proposals is to try to bring the human utilization of caribou down to the minimum compatible with reasonable survival until such time as the herds show recovery. Restrictions on the killing of caribou in the Northwest Territories and also in certain of the provinces, are already very strict, but consideration may have to be given to the possible tightening of them. Wastage must be reduced as much as possible. Other matters to be considered are a campaign of conservation education, extended predator control measures, and continuing studies of the movements of the caribou and of their ranges. It will also be desirable to consider how and to what extent it may be possible to reduce the present dependence on caribou. With increasing wage employment one possibility may be the distribution of low cost buffalo meat at settlements in the Mackenzie valley. An increased slaughter of the buffalo in Wood Buffalo Park had already been planned for the winter of 1956-7 in the interests of herd management, on the basis of a survey recently undertaken. This would permit a greater quantity of meat to be made available than at present. A study is now in the process of the best method of storing and distributing the meat and of the means whereby the cost can be reduced to a point where it will be within the reach of most of the people of the Territories...."



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WEEK'S EVENTS IN REVIEW

PREPARATION IS PREVENTION: Addressing the Warrior's Day luncheon gathering at the Canadian National Exhibition on August 27, Vice-Admiral E.R. Mainguy, Chief of the Naval Staff, spoke, in part, as follows:

"...The protection of freedom is the duty, in both war and peace, of those who have the honour of wearing the uniforms of the armed forces of the Crown. Perhaps on this occasion I may be permitted not only to honour the past, but to make some observations about the present, and to express some simple thoughts about the future.

"Nothing is static in the world. People and countries, for better or for worse, must either go forward, or recede and pass from the scene. Certainly, I am sure there is not one Canadian worthy of the name who does not know that this country is going forward. Nothing can stop it, in the long run, excepting war. By that I mean 'The Big War' -- the Third World War, whose shadow has lain for so long over our thought and endeavour, and which has caused so many of us so furiously to think. That war, should it involve the unleashing of the terrific destructive forces which are now in human hands, would imperil not only our country, but all mankind, and the very future of the human race would tremble in the balance. The prevention of that war is, therefore, the principal task before us today, as it has been for some years past. The need for a lasting

peace has never been so great in the long history of the world. It has never been so vital to the continued existence of the human race.

"To date, major war has been prevented. Today there is less tension in the world than there has been for a long time. There can be no doubt whatsoever that the reason for this may be found in the active determination of the free peoples to build and pool their strength, relying on the tried and trusted principle that strength comes first from unity.

"In these past years there have been many remarkable achievements in the field of international cooperation. They have been particularly remarkable among the nations of the North Atlantic Treaty Organization, and very visible in the armed forces of these nations. The forces at sea, on land, and in the air have been more closely integrated than any international forces in war or peace at any time in history. The planning has been closely integrated, and the forces themselves have been enormously strengthened.

"Combined with this has been the patient and determined leadership of great statesmen working toward a common end. These measures, together with a firm respect for justice, and a sincere spirit of goodwill towards all men, are perhaps now beginning to get results. Things certainly look a lot more hopeful than they did even a year ago.

(C.W.B. August 26, 1955)

"But let me make this point, and let it be clear. If ever proof were needed of the truth of the maxim that 'he who wants peace must prepare for war', then I believe we have had it in very recent history, and we are still having it now. If, in the event, it turns out that the shadow of a great world war has indeed been banished in our time, it will not be because of what anybody said; it will be because of what we of the free nations did.

"It is wonderful to feel that international tensions are lessening, but we shall be wise to remember that this did not come about until our statesmen were in a position to negotiate from strength. I believe we shall be wise to keep them in that position. This is a progressive activity. It will demand a continuation of the sort of cooperation between the free nations that has been established at many levels. It will demand continued cooperation between the armed forces of these nations, and between the armed forces within these nations.

TRI-SERVICE COOPERATION

"This will always be necessary so long as armaments are necessary, for we live in an age of continuous scientific and technical advances which, as they go along, face those who are charged with the planning of defence with many and varied problems. The weapon or advice so useful today must be superseded, or even rendered ineffective, tomorrow. The function which may have been exclusively that of one service in the past, may demand the attention of two or even all three in the future. It is a perpetually-moving jigsaw puzzle. It demands flexibility of thought, and a high degree of inter-service cooperation. It is an extremely progressive function, just as the maintenance of industrial strength is a progressive function. It is necessary that it be continued if the strength we now have is to be maintained, and it applies to all forces, including naval forces.

"I presume that you would expect the Chief of the Naval Staff to say a few words about the Navy, and I shall not disappoint you. However, I will refrain from boring you with details about how many ships we are building, or how many we have modernized within the past few years, and I shall not make a recruiting speech. Our own Navy is better off than it has ever been before in time of peace. We are watching all new developments with the greatest of interest, we are applying them as they become necessary and available, and we are training both our Regular and Reserve Force personnel in increasing numbers and with increasing efficiency.

"Rather than go into too much detail on these matters, I would prefer to make just two simple points about navies in general, which, in the national interest, should be clearly and widely recognized. The first is this. The Navies of the free nations, in combination --

and this includes our own -- present a military asset which can never be matched by any possible opponent. The power arising from the control of the seas (which cover something like four-fifths of the surface of the globe) is a very mighty power, for it is a power of immense flexibility and great mobility.

"The capacity to use the seas to the benefit of our economy, for the movement of other forces, and for their supply, is an asset in war and peace, in defence or in attack. The loss of this capacity, in the event of war, would be a liability which would surely be fatal to our cause.

"All through history, this high importance of sea-power has existed in varying measures, but with the coming of steam and electricity, of the long-range gun and the bomb, and of the aircraft, the possibility of exploiting this asset has steadily increased, and a glance at the course of the history of the last two great wars will show you how immensely it has been exploited. The power arising from control of the seas is far greater today than it was in Nelson's time.

MODERN SEA-POWER

"My second point is this. Sea-power has been reinforced down the centuries by a whole chain of invention and development, because there is very little that can be used on land, or from land, that cannot be used on ships or from ships. Sail has been superseded by steam; the gun, which is a missile-thrower, has undergone a steady chain of development; aircraft can fly from ships as well as from shore.

"There has been no important development in this general area which has not been successfully applied to fleets, which has not increased their many capabilities in war, and reinforced their value as a deterrent to war. This will not cease in the so-called 'nuclear age', whose threshold we have now crossed. On the contrary, it will continue.

"This predominant strength by sea which, by the facts of geography and the development of history, lies today in the hands of those nations whose principle goal is peace, may go very far indeed toward tipping the scales to the great benefit of generations to come.

"The shape of navies will change. The shape of ships will change. But there is nothing new in this. It has been going on for a very long time, and it certainly continues to go on right at this very moment, and in this country. What will not change is the need to control the seas and to exploit that control towards the maintenance of peace, and if that should fail, towards the defence of our freedom..."

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Canada exported \$6,375,000 worth of goods to Ireland in the first half of 1955, over twice as much as in the first six months last year when sales amounted to \$2,668,000.

ST. ELOI MEMORIAL: St. Eloi, P.Q., the birthplace of one of Canada's most illustrious sons, was the scene of an impressive ceremony on August 21, when the Prime Minister, the Right Honourable L.S. St. Laurent, unveiled a memorial to a former Minister of Justice, the Honourable Ernest Lapointe.

Canadian Minister of Justice from 1924-1930 and from 1935 until his death in Montreal in 1941, Mr. Lapointe was a leader in the development of the Commonwealth in its present form. He was Canadian representative at a number of Imperial and international conferences, including the meetings of the League of Nations. He was first elected as a Liberal member of Parliament in 1919, and until his death continued to hold a seat in the House of Commons. For more than twenty years he was an outstanding figure in the public life of Canada.

He was appointed Minister of Marine and Fisheries in 1921, in the first Mackenzie King government. In 1937 he was made a member of the Privy Council of the United Kingdom. He played a decisive role in moulding French Canadian public opinion during the Second World War.

The inscription on the memorial in front of Mr. Lapointe's birthplace pays tribute to "his keen intellect, his eloquence, his courage and his tolerance" which "gained for him the admiration and respect of his fellow countrymen, whose interests he served so well at Imperial and international conferences, and in the government of the country".

The memorial was erected by the Department of Northern Affairs and National Resources, on the recommendation of the Historic Sites and Monuments Board of Canada. The Minister of Northern Affairs, Honourable Jean Lesage, introduced the Chairman, Senator Jean Francois Pouliot. The main address was by the Prime Minister, Mr. St. Laurent. Other speakers included the Honourable Hugues Lapointe, Minister of Veterans Affairs, son of the late Right Honourable Ernest Lapointe.

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SHOOTING CHAMPIONSHIPS: Winning every event of the two-day competition, riflemen from Camp Borden's Royal Canadian School of Infantry made a clean sweep in the Army's unit championship shoot concluded at Connaught Ranges, Ottawa, on August 18. A team from the winning squad will represent Canada at Bisley, England, next year in competition for the Commonwealth Army Championship.

The winning team, of which six will be selected to make the trip to England, with their scores, was as follows: Major Richard W. Hampton, Barrie, 394; Sgt. R. Cathline, Barrie, 359; Officer Cadet R.G. Wilkes, Calgary, 346; Capt. P. Hall-Humpherson, Barrie, 344; S/Sgt. W. Lockmanetz, Barrie, 333; WO II H. Rayner, Barrie, 329; Major Fred

M. Vine, Barrie, 325; Capt. H.M. Power, Barrie, 324; S/Sgt. L.A. White, Calgary, 324, and WO II D. Stillwell, Barrie, 322.

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RHODESIAN P.M. IN OTTAWA: The Prime Minister of Southern Rhodesia, the Honourable Garfield Todd, arrived in Ottawa on August 22 for a visit of four days. While in Ottawa Mr. Todd stayed at the Chateau Laurier.

Mr. Todd paid courtesy calls at Rideau Hall and on government officials later in the morning of his arrival and was the guest of the Department of Trade and Commerce at the Rideau Club for luncheon. He visited the National Research Council in the afternoon and, after a dinner at the Country Club with Dr. James A. Gibson as host, addressed a meeting of the Canadian Institute of International Affairs at Carleton College in the evening.

Mr. Todd held a press conference at 10:00 a.m. on the morning of August 23. This was followed by a meeting with officials of the Departments of Trade and Commerce and External Affairs. The United Kingdom Deputy High Commissioner, Mr. Neil Pritchard, C.M.G., entertained in Mr. Todd's honour at luncheon and the Executive of the Central Canada Exhibition Association gave a dinner for him at the Exhibition Grounds. During the afternoon Mr. Todd visited the Parliament Buildings. On August 24, Mr. Todd went to Chalk River where he visited Atomic Energy of Canada Limited. He departed by air from Rockcliffe, lunched with senior officials and returned in the late afternoon to Ottawa by train. Mr. Todd left for Toronto on August 25.

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GOVERNOR-GENERAL IN NEWFOUNDLAND: The Governor-General left Rockcliffe Airport on Sunday morning August 21, in an RCAF C-5, for a nine-day tour of Newfoundland.

His Excellency spent two days in St. John's on his arrival in Newfoundland and then went to Bell Island, where he visited underground workings and surface operations of the Dominion Steel and Coal Company Iron Ore Mine.

On August 24 and the morning of the 25th he made "whistle stops" at seven small communities and outports between St. John's and Corner Brook. In Corner Brook he visited Bowaters (Newfoundland) Pulp & Paper Mills Limited and the following day was received at Grand Falls, company town of the Anglo-Newfoundland Development Company.

On August 27 His Excellency boarded HMCS "Buckingham" at Botwood for St. Anthony, where he visited the Grenfell Mission hospital, T.B. sanatorium, orphanage and other institutions founded by Sir Wilfred Grenfell. He visited Twillingate and Lewisporte en route to Gander where he boarded an RCAF plane for the return trip to Ottawa August 29.

NORTHERN TEACHERS IN SCHOOL: The "flying teachers" of the Mackenzie district of the Northwest Territories are sitting as pupils in a Yellowknife classroom this week.

By scheduled or chartered aircraft, 75 teachers from such northern points as Aklavik, Tuktoyaktuk, Coppermine, Fort Liard, and Fort Smith have assembled at Yellowknife to review their unique teaching problems during their summer school August 22 - September 3.

By mingling with other northern teachers, the summer school delegates learn how to handle the many teaching problems of the north. Each northern classroom has its own problems. Some have pupils of mixed racial backgrounds who have no common language, while others contain Eskimo children who have had no contact with the customs and traditions of their teacher's culture.

The summer school is the second of its kind held in the Northwest Territories and is organized by J.V. Jacobson, Superintendent of Education for the Department of Northern Affairs and National Resources. Its programme includes such subjects as the development of native handicrafts, Indian and Eskimo folklore, the means of encouraging adult education in the north, teaching techniques, and the adaptation of curriculums to local needs.

Instructors include Eunice Logan, education specialist for the Alaska Native Service; Florence Gaynor, consultant on immigrant education for the Canadian Citizenship Council; A.V. Parminter, regional inspector of Indian schools for British Columbia; and Rose Eliuk, a specialist in demonstrating teaching techniques for such basic subjects as arithmetic and reading. Beth Riddoch, Alberta provincial field secretary of the Girl Guide Association, will conduct a Guide Leadership course and representatives from the Junior Red Cross and National Film Board also will attend.

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SUPPLIES TO FRANCE AND HOLLAND: France and the Netherlands will receive several shipments of Canadian Army supplies during the next few weeks. The supplies are being shipped under Canada's programme of mutual aid to NATO countries.

Included in the shipments are ammunition, artillery tractors and dump trucks for the French Army and a number of military ambulances and other vehicles and spare parts for the Royal Netherlands Army.

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REGIONAL PRICE INDEXES: Consumer price indexes for seven of the ten regional cities advanced between June 1 and July 2, two were unchanged and one declined. Advances ranged from 0.1% in Ottawa and Halifax to 0.4% in Winnipeg with the decline in Vancouver 0.3%.

Food indexes were higher in all cities but St. John's and Saint John. Egg prices were substantially higher in most cities. Fruit and vegetable prices were generally higher, lower prices for potatoes in most cities being an exception. Meat prices, particularly those for pork, were higher.

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"OPERATION LIFESAVER": On September 21, Calgary, Alberta, will be the scene of a mass civil defence evacuation, the first large-scale exercise of its kind in Canada to include the testing of reception centres outside the city. The scheme, "Operation Lifesaver", will be conducted by the Calgary civil defence organization under the direction of Lieutenant-Colonel C.O. Bell, the city's director of civil defence. Provincial and federal civil defence authorities will also participate.

Over 40,000 will take part. The area to be evacuated covers approximately one quarter of the built up area of the city of Calgary. It is a light industrial, business and residential area, composing the north-eastern section of the city. The reason for evacuating this section is that it poses fewer problems than the other sections and therefore is a reasonable choice for a first effort. There are no prisons, reformatories, etc., in the area to be evacuated, although it does contain the city's General Hospital. But the question of evacuation of institutions of this nature does not arise in this instance, as hospital patients and the like would normally be evacuated in Phase A of any withdrawal project.

Phase A is the first step in federal civil defence planning for evacuation of a community. It is the evacuation of all of the non-productive populace of any community -- women, children, the aged and infirm, hospital patients and staff, etc. -- who would be evacuated when it had been decided the international situation had reached a crisis.

Evacuees will travel to areas to the north and east of the city to distances up to 90 miles. Welfare centres under the control of the provincial civil defence will be set up in certain communities. On reaching their destination, selected groups of the evacuees will go through formal civil defence welfare registration and will be assigned to temporary lodging. This is being arranged in cooperation with the provincial civil defence authorities.

The actual time at which the siren will sound has not been publicly released and is known at the present time to one man only, Colonel Bell, civil defence director of the city. However, the general public do know that an exercise will take place between dawn and dark on September 21st and by September 20th should be fully acquainted with their responsibilities because of an intensive pre-evacuation public relations programme.

BIRTHS, DEATHS, MARRIAGES: More births and deaths but fewer marriages were registered in Canada in July than in the same month last year, the Dominion Bureau of Statistics reports. In the first seven months of 1955 birth registrations were 2.7% above last year's level, while death registrations were 3.3% more numerous and marriage registrations 3% fewer.

Increases in Newfoundland, Nova Scotia and Quebec outweighed decreases in all other provinces except Prince Edward Island, where there was no change, to raise July birth registrations to 37,298 this year from 37,200 last year. In the January-July period, decreases in Prince Edward Island and the Prairie Provinces were outweighed by gains in other provinces to boost the total to 250,009 from 228,776 a year earlier.

There were more marriages this July in Newfoundland, Prince Edward Island and Ontario but decreases in the other provinces reduced the national total to 13,942 from 15,201 last year. Marriage registrations in the January-July period numbered 60,782 this year versus 62,691 last year, increases in Newfoundland, Prince Edward Island and Nova Scotia being outweighed by decreases elsewhere.

July death registrations numbered 10,206 this year versus 9,525 last year, decreases in Prince Edward Island and west of Ontario being outweighed by increases in the other five provinces. In the seven-month period there were increases in all provinces except Prince Edward Island, the total rising to 75,597 from 73,174.

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BIG TORONTO HOUSING PROJECT: An \$11,512,000 project for construction of roughly 1,100 rental housing units will be started shortly in Metropolitan Toronto, it was announced on August 19 by Federal Public Works Minister Robert Winters and Hon. W.K. Warrender, Ontario Minister of Planning and Development. The project is the result of agreements signed between the Federal Government, the Province of Ontario, Central Mortgage and Housing Corporation and Metropolitan Toronto.

It will be named Lawrence Heights and will be developed on 125 acres of land in the Fathurst-Lawrence area of North York Township. It will consist of two and three-storey apartment buildings, terraced houses, semi-detached houses and a few single family dwellings. The average rental of the units is estimated at \$70 per month.

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Last year 2,160 tugs departed from Canadian ports in international seaborne shipping, 1,674 of them from British Columbia ports, 415 from Ontario ports, 44 from Nova Scotia ports, 19 from New Brunswick ports, 7 from Quebec ports and one from Corner Brook, Newfoundland.

EMPLOYMENT SITUATION: Labour requirements increased during July more rapidly than in the same month last year but at about the same rate as in 1953. The seasonal influx of students and other short-term workers helped to boost the labour force almost to the same extent as employment increased. Unemployment therefore dropped only slightly, a usual occurrence at this time of the year. It is estimated that the number of persons with jobs increased 130,000 during the month ended July 23, some 7,000 more than the increase in the labour force.

While all major industry groups recorded employment gains during the month, farming accounted for 108,000 and non-farm industries for some 22,000. This is in contrast to last year when farm employment increased by an estimated 113,000 and non-farm employment dropped by some 5,000. Of the major industry groups, the forestry, mining, manufacturing, construction and trade industries continued to show moderate gains, apart from seasonal movements. The construction, automotive and related industries remained very buoyant although some lay-offs were reported in the auto industry by the end of July in preparation for model changes. Labour requirements and available supply were in better balance than at any time during the past four years. The classification of the 109 local labour market areas at August 1, 1955, (last year's figures in brackets) was as follows: in shortage 1 (2); in balance 94 (55); in moderate surplus 14 (51); in substantial surplus 0 (1).

In the past, certain remote and relatively inaccessible areas of Canada had not been included in the estimates. In May 1954, the sample design was altered so that totals would include estimates for these areas in Ontario, although, for cost reasons, they are given no chance of selection for enumeration. In February 1955, representation for the remainder of these remote areas, located in Quebec, the Prairie Provinces, and British Columbia, was included. Estimates for previous surveys have been revised so that the data are comparable throughout.

The civilian labour force totalled 5,738,000 in the week ended July 23, 1955, compared with 5,615,000 in the week ended June 18, 1955. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

Of the 5,738,000 in the labour force, 4,791,000 or 83.5% worked full-time (defined as 35 hours or more) in the July survey week, 269,000 or 4.7% worked less than 35 hours, 528,000 or 9.2% had jobs but did not work during the survey week, and 150,000 or 2.6% did not have jobs and were seeking work. Classed as not in the labour force are such groups as those keeping house, going to school, retired or voluntarily idle, too old or unable to work, and these numbered 4,805,000...;

NEW JET BOOSTER: To meet the continual demands for higher speeds and greater rates-of-climb, particularly for military aircraft, it has become fairly common to boost the thrust of jet engines by means of burning additional fuel in their exhaust jets. This scheme is called reheat or afterburning, and at high speeds is capable of about doubling the engine-thrust available.

For the past four years, the National Aeronautical Establishment of the National Research Council has been engaged in a research programme aimed at improving reheat system performance. The system under investigation differs from conventional reheat systems in that the reheat fuel, before being burned, is used to cool the critically hot turbine blades, which normally limit the maximum temperature in the engine combustion chambers. Thus, it is possible to burn more fuel in the engine proper apart from the reheat system, and hence to improve the performance of the whole system. The initial programme, which included theoretical studies, small-scale rig tests, and full-scale static-engine tests, was carried out mainly by the Engine Laboratory, while the flight tests, now in progress, are being done by the Flight Research Section at Uplands Airport. Flight tests are an essential part in the development of a reheat system since the reduced pressures encountered at high altitude generally have an adverse effect on the efficiency of combustion processes.

The first flight of this programme was made on January 14, 1955, and marks the first time a Canadian designed and built reheat system had been flown. The first stages of the programme have now been completed, and the results may be described as being "quite satisfactory". Altitudes above 40,000 ft. have been reached in the tests.

The flight programme is being carried out in conjunction with the CEPE (NAE) Detachment of the RCAF stationed at the Flight Research Section.

The aircraft being used for these tests is a Gloster Meteor F, Mk. IV, loaned to the National Research Council by the United Kingdom Ministry of Supply.

The project has had the active support of Dr. O.M. Solandt, Chairman of the Defence Research Board.

Recently, the system was demonstrated to the Chief of the Air Staff and senior officers of the RCAF.

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PASSENGER CAR SALES UP: Sales of new passenger cars reached an all-time high in the first six months of this year, rising almost 16% as compared with a year earlier, Dominion Bureau of Statistics reports. At the same time the sales of commercial vehicles dropped almost 10%. Retail value of new passenger cars sold advanced 17% as compared with last year but that for commercial vehicles fell 1%.

ELECTRIC POWER PRODUCTION: Power production by central electric stations increased in June to 6,090,280,000 kilowatt hours as compared to 5,674,863,000 in the corresponding month last year. This brought the cumulative output for the half-year period to 38,248,132,000 kilowatt hours as compared to 33,807,714,000 a year earlier. Except for a small decline in New Brunswick in June, production was higher in all provinces in both periods.

Consumption of primary power -- production, plus imports, less exports and secondary power -- rose to 5,496,284,000 in June from 5,035,-235,000 a year ago and to 33,662,939,000 in the six months from 30,962,116,000 last year.

Six-month production totals follow by provinces: Newfoundland, 187,677,000 kilowatt hours (117,443,000); Prince Edward Island, 21,555,000 (16,113,000); Nova Scotia, 583,196,-000 (556,092,000); New Brunswick, 448,880,000 (422,292,000); Quebec, 18,195,348,000 (17,260,-468,000); Ontario, 12,708,290,000 (9,981,196,-000); Manitoba, 1,551,545,000 (1,529,468,000); Saskatchewan, 699,099,000 (625,090,000); Nova Scotia, 814,473,000 (723,601,000); British Columbia, 2,993,343,000 (2,575,951,000); and Yukon and Northwest Territories, 44,726,000 (not available for 1954).

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STARTS, COMPLETION: Construction was started on 21,021 new housing units across Canada in June, 67% more than in June last year when 12,586 dwelling units were started, according to advance figures released lately by the Dominion Bureau of Statistics. The sharp jump put half-year starts at 57,997, up 25% from the 46,398 started in the first half of 1954, the record year to date for new residential construction.

The number of new housing units completed showed an even sharper increase this June, jumping 82% to 10,989 from 6,047 a year earlier to put half-year completions at 52,228, almost 26% above 1954's first-half record of 41,572. The out-look at the end of June continued bright, with 75,684 units in various stages of construction, an increase of 18% over the 64,262 under construction at the end of June last year.

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RAILWAY REVENUES, EXPENSES UP: Operating revenues of Canada's principal railway system in May rose 11.2% to \$99,509,705 from last year's corresponding total of \$89,453,591. At the same time operating expenses rose 3.6% to \$88,358,707 from \$85,318,686, resulting in a rise in net operating revenues to \$11,150,998 from \$4,134,905.

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This year's apple crop is estimated at 17,600,000 bushels, 1,300,000 or 22% larger than the 1954 crop.



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WEEK'S EVENTS IN REVIEW

THE CHALLENGE OF INTER-DEPENDENCE - Addressing the World Convention of Churches of Christ in Toronto on August 18, Mr. L.B. Pearson, Secretary of State for External Affairs, spoke in part as follows:

"...It can, I think, be contended that an important part of the growth of civilization has consisted in the slow and often interrupted but steady broadening of man's political and social horizons. Primitive man was undoubtedly exclusively concerned with his immediate family, warring upon his neighbours and being subject to their violence. It is possible to trace his growth from the family to clans, tribes and later, though certainly not last, to nations. Within these larger groupings - and this, no doubt, was the chief impulse behind them - there was a certain measure of order, security and justice.

"In the development of these earliest communities, a common ancestry or a sense of common ancestry was a strong, though not the only uniting force. But gradually over the centuries man's horizons extended so that he began to accept responsibilities for the welfare of a community in which he was a citizen rather than a kinsman. A sense of partnership in an ever-widening community slowly developed and became accepted. Man came to realize that a larger community, although he must in large measure lose his sense of kinship in it, could provide for him a safer and richer and a more varied life. As Aristotle put it, 'the state

came into being so that man could live; it was developed so that man could live well'. This is how civilizations grew.

"This process was not always voluntary or peaceful. Force played an important part in the extension of family, clan or community power. The great empires of the ancient world were, as we know, acquired by violence and maintained by its use or its threat. However peaceful, for instance, the first two centuries of the Roman Empire were, that Empire was acquired by overwhelming force and was maintained by the power which constantly underlay the civilizing process of Roman law and of Roman institutions. There was a great degree of liberty in the Roman world, but it was not liberty to rebel or to secede. It is quite true that when the Roman Empire was at its height a man could go, in the quaint words of the ancient commentator, 'from the Thames to the Euphrates with his bosom full of gold, with no man to life a hand against him'. But it is equally true that the Peace of Rome was established by conquest and maintained by thinly veiled tyranny.

"This model of empire, designed in the Western world by Alexander the Great and continued by Julius Caesar and the Roman emperors, has been pretty much the model, with, of course, many variations, which has been followed ever since, whether by Charlemagne, Napoleon, Hitler or Stalin.

FARIOC EPISODE COMMEMORATED: On a summer day 141 years ago a band of 22 officers and seamen of the Royal Navy were fighting for their lives near what is now Wasaga Beach, Ontario. They were being attacked by an American force more than 20 times their number which was equipped with 24 cannon and three sailing vessels.

In reply to the salvos from the 24 enemy guns the party defending Canadian soil returned the fire with their three cannon. But the outcome was inevitable; soon the American cannon had reduced the defending blockhouse to a shambles. Led by their commanding officer, Lieutenant Miller Worseley, the 20 uninjured survivors made their escape. Although comparatively little is known of Lieutenant Worseley his name soon became linked with daring escapades during the latter days of the War of 1812-1814. History records that he ran supplies for defending Canadian forces under the bows of blockading American schooners.

The final defence of the blockhouse took place on August 14, 1814. Exactly 141 years later, a plaque was unveiled at Wasaga Beach to commemorate the spirited defence by Lieutenant Worseley and his meagre forces. The plaque was prepared by the Department of Northern Affairs and National Resources, at the recommendation of the Historic Sites and Monuments Board of Canada.

The tablet has been affixed to an existing monument, which commemorates early Canadian aviation pioneers. Professor Fred Landon, Chairman of the Historic Sites and Monuments Board of Canada, delivered the main address.

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FIRST ALL-CANADIAN WARSHIP: The first of the Royal Canadian Navy's new anti-submarine destroyer escorts began her builder's trials August 15, it was announced on August 11 by Canadian Vickers Ltd., Montreal, where the vessel is under construction.

The trials, expected to last three weeks, are taking place on the St. Lawrence River off Murray Bay. The new vessel, which is to be commissioned HMCS St. Laurent, will be turned over to the RCN this fall.

Fourteen of the new destroyer escorts are on order from Canadian shipyards, at an estimated cost of \$210 million. They are the first large naval vessels to be wholly designed, built and equipped by Canadians from Canadian sources.

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Lebanon bought \$753,000 worth of Canadian goods in the first half of 1955, more than double the \$344,000 worth purchased in the first six months last year.

AIR TRAFFIC SCHOOLS: Keeping Canadian civil aviation in the forefront of the latest technical developments will involve the setting up of two special training schools for air traffic controllers, Department of Transport officials have announced.

The schools which will be in Toronto and Winnipeg, follow a recent statement by Hon. George C. Marler, Minister of Transport, that "we must continue to recruit and train the highly qualified personnel needed in ever increasing numbers to man our air traffic control centres and the control towers at airports." The department operates more than 100 airports in Canada and has plans now under way to instal new radar devices that determine accurately the position of all aircraft in an area and make it possible to control airways traffic more efficiently. This includes surveillance radar, which enables air traffic control units to locate aircraft within a radius of 90 miles and up to 60,000 feet in height.

PAY RATES

The special training programme the department's air services branch is initiating as "a planned career in civil aviation" involves three months theoretical training at the new schools followed by three months on-the-job orientation in an airport control tower or area control centre. During this six months' period, trainees receive \$197 a month and at the successful completion of the course become air traffic controllers at a starting salary of \$270 a month. Range of pay for this classification goes up to \$475 a month and the Civil Service Commission, which is responsible for engaging the personnel, is conducting competitive examinations in Eastern and Western Canada. There will be about 120 openings in the coming months in the schools which get under way about November 15.

Transport Department officials point out that air traffic control provides two main services, airport control and area control. The former is for major civil airports and is effected by means of direct radio-telephone communication or visual signals to aircraft and surface vehicles in the immediate vicinity. The latter is designed particularly to provide air traffic control service to aircraft operating within controlled airspace during weather conditions necessitating reliance on instrument flying.

Other services provided include approach control flight information, alerting for search and rescue, customs notification and aircraft identification.

FRUIT CROPS: Throughout most of the fruit-growing regions of central and eastern Canada there has been little rain since June 15 and higher than normal temperatures prevailed. By the latter part of July this hot, dry weather was having adverse effects on fruit crops. Strawberry yields had been reduced considerably and the rather favourable outlook earlier in the season was not realized. With hot, dry weather at picking time the berries failed to develop in some areas as well as would otherwise have been the case. Drought was also blamed for a reduction in the raspberry crop. Earlier in the season the outlook had been quite favourable for small fruit production in practically all parts of eastern Canada. A generally heavy blossom escaped early frost injury and set well.

In the case of tree fruits, plums, prunes and peaches in western Ontario were reported to be sizing less rapidly than normal due to dry weather. The apple and pear crops would only reach the estimated figures if rain were received. Grapes in Ontario, however, were not showing any adverse effects from the drought.

In British Columbia the season was later than usual due to cool, wet weather which prevailed until quite recently. In the coastal areas, excess moisture had an adverse effect on the strawberry crop although raspberry prospects were good. In the interior a recent change in the weather bringing higher temperatures and more sunshine was welcomed. Tree fruits in British Columbia were later than usual this year but the general outlook was favourable with the earlier prospects for a good crop likely to be realized.

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ARMY APPRENTICE PLAN SUCCESSFUL: Since its adoption less than three years ago, the Canadian Army's Apprentice Soldier Plan has graduated 117 fully-trained young tradesmen. More than 500 others are still attending classes in various corps schools.

Aim of the plan is to train junior leaders for the Army through balanced courses of military training, trades apprenticeship and schooling. Depending on interest and ability, complete courses are offered in 19 different trades.

Again this year apprentice soldiers are being enrolled and the present intake, which will continue until September 16, is now well over the 100 mark. By the time the 1955 rolls close, it is expected that 360 sixteen-year-olds will have been accepted.

To become an apprentice soldier a boy must have reached his sixteenth but not his seventeenth birthday and must have completed a Grade 8 education or equivalent. On enrolment the apprentice draws half the pay of a private recruit and full pay on becoming seventeen years of age.

RESERVE TRADESMEN TRAINING: More than 2,000 young Canadians of high school age, both male and female, are spending their summer at RCAF stations across the country as members of the Reserve Tradesmen Training Plan.

The training scheme, commonly referred to as RTTP, was initiated as a special component of the RCAF's Primary Reserve to train personnel in the major aircraft and telecommunication trades for technical employment with the RCAF Auxiliary Force.

Training for Primary Reserve airmen and airwomen in the RTTP is offered in two stages. The first stage takes place during the winter and spring at either an Auxiliary Technical Training Unit of the RCAF, or an Air Cadet Squadron where indoctrination courses are given. The second stage is a 2-month summer training period conducted at RCAF Auxiliary Technical Training Units, Radar and Communication Units and Aircraft Control and Warning Units. During this second stage, airmen and airwomen are given an opportunity to gain summer employment, learn the fundamentals of a useful trade, and have a taste of Service life.

While undergoing summer training, RTTP candidates are provided clothing, draw regular Service rates of pay, and may be provided with either living accommodation and meals or living expenses.

Trade examination papers are written at the end of August, and successful candidates are given the choice of transferring to the RCAF Auxiliary, the Supplementary Reserve, or being released from the RCAF Primary Reserve.

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WHEAT AND RYE ACREAGES DECREASE: Preliminary estimates of 1955 field crop acreages indicate that Canadian farmers seeded the smallest wheat acreage since 1943 and the smallest rye acreage since 1947, but that reductions in these two crops and summerfallow are offset by a record barley acreage and sharply increased acreages of oats and flaxseed. Other crops with increases in area over 1954 are mixed grains, corn for grain, dry beans, potatoes, tame hay and fodder corn. In addition to winter wheat, spring wheat and fall rye, smaller acreages have been seeded to buckwheat, dry peas, soybeans, field roots and sugar beets.

For Canada as a whole, the area seeded to the 15 spring-planted crops included in this report is estimated at 47.7 million acres compared with 46.3 million in 1954 and the ten-year (1944-53) average of 47.4 million. An additional 24 million acres is in summerfallow in the Prairie Provinces, a decrease of 1.3 million acres of 5% from last year's record area. Total acreage in the 15 spring-planted crops, together with winter wheat, fall rye, tame hay and summerfallow amounts to 83.8 million acres, practically unchanged from last year's 83.7 million.

PORT ROYAL FOUNDING COMMEMORATED: The establishment of one of the earliest settlements in North America was commemorated on August 16, when the Honourable Jean Lesage, Minister of Northern Affairs and National Resources, unveiled two bronze tablets mounted on stone pillars at the entrance to the Port Royal Habitation, Port Royal, Nova Scotia. It was at Port Royal that Champlain founded the Order of Good Cheer, North America's first social club. Port Royal was also the scene of the first conversion to Christianity in Canada, the construction of the first vessel and mill, the opening of the first drug store, the continent's first road, the planting of the first garden, and the writing and staging of the first play in North America.

It was erected in 1605 by the Sieur de Monts, who arrived in the Bay of Fundy the previous year with explorer and geographer Samuel de Champlain. The Port Royal Habitation lasted until 1613 when it was totally destroyed in a British raid. It was reconstructed in recent years by the Department of Northern Affairs, on the basis of details given in early histories of the settlement.

The two tablets, one in English and one in French, were erected by the Department of Northern Affairs on the recommendation of the Historic Sites and Monuments Board of Canada.

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ARMY FAMILIES ON MOVE: More than 3000 families of Canadian Army personnel will be transferred to and from Europe between the end of September and early December, it was announced on August 15 at Army Headquarters.

Seven ships were reserved one year in advance of rotation dates and will make a total of 11 crossings with only Canadian Army personnel and their families as passengers.

Troops relieving elements of the 1st Canadian Infantry Brigade now serving in Germany will not be able to have their families travel with them to Germany. Experience has shown that it is advisable to allocate quarters to a soldier in Germany in advance of the arrival of his family. In this way, everything can be in readiness for their arrival in a new country.

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SILVER, LEAD & ZINC: Outputs of silver and lead were below last year's levels in May and the first five months of 1955 but production of zinc was up in both periods, the Dominion Bureau of Statistics reports. Output of primary silver fell to 2,214,447 fine ounces from 2,509,619 in May and to 10,934,850 fine ounces from 12,128,059 in January-May. Primary lead production decreased to 16,808 tons from 19,954 in the month and to 87,740 tons from 91,089 in the five months. Primary zinc output rose to 37,367 tons from 30,140 in May and to 177,316 tons from 142,650 in January-May.

AIR LINES SWAP ROUTES: It was announced on August 16 by the Rt. Hon. C.D. Howe, Minister of Trade and Commerce, and the Hon. George Marler, Minister of Transport, that approval in principle had been given by the Air Transport Board to a major exchange of air services negotiated between the managements of Trans-Canada Air Lines and Canadian Pacific Airlines.

By terms of the agreement CPA will take over from TCA operation of air service between Toronto and Mexico. In return CPA will turn over to TCA its air services between Montreal, Quebec City, Saguenay and Seven Islands, and between Montreal, Val d'Or, Rouyn-Noranda and Toronto.

CPA's present operation from Quebec City to Baie Comeau and Forestville on the lower St. Lawrence will be assumed by Quebecair which flies extensively in that area.

CPA now flies from Vancouver to Mexico City and on to Lima, Peru. The additional service from Toronto, permitting one-carrier service to the West coast of South America, is expected to strengthen materially CPA's entire southern route structure.

By the exchange of routes TCA will gain entry for the first time to the Province of Quebec east of Montreal and will also strengthen its northern air service. The communities involved will be integrated in TCA's nation-wide route pattern and one effect of the new arrangement will be the placing for the first time of Quebec's capital city on Canada's main line air service.

As CPA's present services in Eastern Canada are remote from the Company's main overhaul and maintenance base in Vancouver, these operations involve a considerable amount of ferry flying between the eastern terminal points and headquarters on the Pacific Coast.

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GOVERNOR-GENERAL AT QUEBEC: It was announced on August 12 that the Governor-General would be in residence at the Citadel, Quebec, on the 7th of September and would remain there until the 2nd of October.

Guests of His Excellency during that period will include the Earl and Countess of Bessborough; Princess Mary, the Princess Royal; the Rt. Hon. James Thomas, First Lord of the Admiralty and Mr. and Mrs. Raymond Massey.

His Excellency will arrive in Quebec aboard HMCS Buckingham after a seven-day tour of ports on the St. Lawrence and the Magdalen Islands.

* * * *

FINAL BUDGETARY REPORT 1954-55. The Honourable Walter Harris, Minister of Finance, released on August 13 a statement of the final figures of the Government of Canada's budgetary revenues and expenditures for the fiscal year 1954-55 and of the Government's assets and liabilities and net debt position as at March 31, 1955.

(Continued from P. 1)

THE CHALLENGE OF INTER-DEPENDENCE

"It would, in short, be difficult to recall, until our own times, an example of the voluntary union of large states for anything except a war-like purpose, or for the maintenance of that which each state had acquired. Now, however, we are right up against the next step, and the next great problem; the recognition of the inescapable inter-dependence of free and sovereign states, and the adoption of the necessary national policies that flow from that recognition, and which may ultimately lead to some form of coming together among such states.

"On occasion we may become somewhat impatient with the slow course of history and with the human tendency to perpetuate its own mistakes and its own prejudices; with history repeating itself in the wrong way. It may restore our time perspective, if we remember that York and Lancaster, although they now contend only on the cricket ground or the football field, were at each other's throats on much bloodier sod only 400 years ago. Not so long ago also, the Dukes of Burgundy and Normandy could lead out against each other their competing private armies. More recently, the bloodiest civil war of history was fought on this continent over the issue of the obligation of union or the right of secession.

STRUGGLE FOR UNITY

"It was only after long years of violence and tumult that the domestic peace and unity of the great national societies as we now know them, societies forged out of competing and often hostile lesser units, came into being.

"We are now, however, faced with a further and more important step, the extension of our horizons and of our accompanying responsibilities until they embrace mankind as a whole.

"Notwithstanding my own plea for patience and maintaining a sense of perspective, it is impossible not to feel that the slower moving processes of the past will not be sufficient for the problems of the future; that we may not have as much time now to reach our essential social and political objectives as our forefathers had. Man's conquests in the natural sciences, indeed, have made greater speed imperative in the development of the social sciences if we are to keep pace with the amazing, yes the frightening, consequence of those conquests.

"So it is hard not to be impatient as we watch man's relatively slow progress towards reason and morality in the political, social and economic relations between peoples and states. We must somehow - and soon - eliminate or bridge the chasm between our moral, social and political development, on the one hand, and our scientific advance on the other, or we will perish in that chasm!

"In this great convention of churchmen, it is appropriate to ask ourselves, what is the Christian religion doing to bridge this chasm;

to what extent is it a unifying factor in the international confusions of the present age?

"There are certain stern facts we must face. One is that after nearly 2000 years, Christianity still remains the religion of a relatively small minority of the world's peoples. Within Christianity itself there are three great divisions, the Roman Catholic, the Greek Orthodox and the Protestant. Again, Protestantism has become so finely sub-divided that, if I am accurately informed, within the United States alone there are more than 70 Protestant faiths. Other and more populous religions, such as the Moslem and the Buddhist, are not split to the same extent that we are....

"Nevertheless, in spite of obvious failures and shortcomings, the religion of Christ has served an essential purpose in the evolution which is taking place of an interdependent world community... The essential principles of Christ's life and teaching - as contrasted with some of the ecclesiastical manifestations of that teaching - has always had a healing and beneficent effect on the relation of man to man and of nation to nation. And now the application of Christian charity and tolerance; of the belief in the worth and in the immortal soul of every individual, of grace and mercy and the forgiveness of sins, is needed more than ever before....

IMPORTANCE OF BROTHERHOOD

"The challenge of interdependence, then, is to our tolerance; to our sense of brotherhood for mankind as a whole. As such it is first of all a challenge to us as individuals. In free societies, we must take it that the collective action of governments is bound to reflect the individual attitudes of their citizens. If the citizens are arrogant, contemptuous and greedy, it may be expected that these attitudes will express themselves in the political and even in the military conduct of their governments. Unless Christians can spread among the citizens of non-Christian as well as Christian countries charity, tolerance, and understanding, Christianity will certainly not be adequate to face the challenge of our shrinking little atomic world on which we are today huddled together for better or for worse; in which we do indeed co-exist. It is not enough for a Presbyterian or a Copt to love his Presbyterian or his Coptic brother. He must love those of all beliefs and races....

"This is no plea for the abandonment of doctrine or the conversion of Christianity, in the name of universality, into a flabby mish-mash of indiscriminate brotherly love. It is a time for the Christian churches to strengthen, not to weaken, their convictions. Christian tolerance and charity should not lead us to conclude that there is neither good nor evil, neither right nor wrong, neither truth nor error. But they should lead us away from arrogance, from the assumption that we alone possess all truth and virtue..."

YORK HONOURS RCAF DEAD: The names of 5,722 fallen Royal Canadian Air Force personnel are contained in the York Minster memorial to be unveiled on November 1 by the Duke of Edinburgh, it was announced on August 17 by Air Force Headquarters.

The memorial has been erected in the famous cathedral at York to honour the memory of Allied air force personnel who gave their lives during the Second World War while operating out of northeastern England. More than 20,000 names, including those of the RCAF personnel, are inscribed in an honour roll and represent operational casualties in 4 and 7 Groups of Bomber Command, 16 and 18 Groups of Coastal Command, squadrons of Fighter Command which operated in the area, and the famed RCAF 6 Bomber Group.

York Minster was selected as the site for the memorial because the towering old world cathedral served as a familiar landmark to the many thousands of airmen who flew in the area.

Canada has shared in the memorial's cost, through voluntary contributions by RCAF personnel, members of the RCAF Association, and private firms. These funds were collected and forwarded to the UK by the RCAF Association.

Seats at the unveiling ceremony are available for next-of-kin, and may be obtained through the RCAF Association offices in Ottawa.

The memorial has been erected in a chantry in the north transept of the cathedral. It takes the form of an astronomical clock, showing the phases of the moon and the solstice, and embodying the signs of the Zodiac. On the reverse side of the clock is an astronomical map of the night skies, showing the constellations of the northern hemisphere.

Under the clock stands a lectern on which lies a Book of Remembrance containing the names of the 20,000 fallen airmen. Both clock and lectern are enshrined in a monumental framework of oak, surmounted by figures representing Courage, Skill, Sacrifice and Victory. On the sides are carved and coloured armorial badges and mottoes of the units which operated from northeast England.

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EMINENT SCIENTIST VISITS NRC: One of the world's most eminent physicists, Dr. P.A.M. Dirac, Lucasian Professor of Mathematics, Cambridge University, and winner of the Nobel Prize in physics for 1933, is visiting the National Research Council of Canada for the months of July and August. He is giving lectures on the union of relativity and quantum theory and on quantum electrodynamics to NRC scientists and is holding discussions with them on their work.

Professor Dirac is one of the co-founders of modern quantum theory on which the theory of atomic energy is based. He was responsible for the development of the mathematical basis

of quantum theory. His relativistic theory of the electron marked one of the most significant advances ever made in quantum theory and led him to predict the existence of a positive electron which was later discovered by experimentalists. Dirac's equation of the electron forms the basis of all modern theoretical work aimed at an understanding of the nature of matter and of the electromagnetic field.

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DOMESTIC ELECTRICITY: The average cost of electricity for household purposes in Canada increased slightly last year but at year's end was still below the average cost during the years 1935-39, the Dominion Bureau of Statistics reports. The average cost increased in 1954 in two provinces, decreased in one and showed no change in the others.

By municipality, average monthly consumption per domestic service customer ranged from a low of 64 kilowatt hours in Macleod, Alberta, to a high of 536 kilowatt hours in Ottawa last year, while the minimum net monthly bill ranged from 44¢ in Moose Jaw, Saskatchewan, to \$2.00 in Charlottetown, Prince Edward Island. Net monthly bill at metered rates for lighting, small appliances, refrigeration, cooking and water heating using 500 kilowatt hours a month ranged from \$3.92 in Ottawa and \$4.00 in Hull to \$18.38 in Swift Current, Saskatchewan, and \$29.97 in The Pas, Manitoba.

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PROVINCIAL REVENUES UP: Net general revenues of the governments of Canada's ten provinces and the Yukon totalled \$1,336,000,000 in 1953, up 6% from \$1,258,000,000 in 1952, and net general expenditures, exclusive of debt retirement, amounted to \$1,258,000,000, an increase of 4% from \$1,207,000,000, the Dominion Bureau of Statistics reports. Revenues exceeded expenditures by \$78,000,000 in 1954 versus \$51,000,000 in 1952.

Net general revenue exceeded net general expenditure in all provinces except Newfoundland, Nova Scotia, Quebec and Ontario in 1953. In the preceding year revenue exceeded expenditure except in Quebec and Ontario. The surplus of revenue over expenditure was largest in Alberta in both years, and increased to \$68,-000,000 in 1953 from \$49,000,000 in 1952. Saskatchewan's surplus increased to \$12,000,000 from \$11,000,000, while Prince Edward Island had a surplus of \$500,000 in 1953 as compared with \$200,000 in 1952.

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Industrial employment showed important expansion at the beginning of June. On the 1949 base, the advance index of the Dominion Bureau of Statistics rose 3.7% to 111.4 from 107.4 a month earlier. The increase was above-average for the time of year, substantially exceeding that recorded a year earlier when the index was 109.0.



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WEEK'S EVENTS IN REVIEW

ATOMIC POWER STATION: A preliminary description of Canada's first atomic power station -- known as the "Nuclear Power Demonstration" -- will be presented at the Canadian exhibit at the forthcoming international conference on atomic energy in Geneva.

Detailed design of the power station is just getting under way but its probable form is described in a booklet prepared by Atomic Energy of Canada Limited for the International Conference on the Peaceful Uses of Atomic Energy at Geneva, August 8 to 20.

SITE OF STATION

The station is to be built by a combined force of engineers and scientists employed by government and private industry and will be located at the power station of the Hydro-Electric Power Commission of Ontario near the village of Des Joachims on the Ottawa River, about 150 miles west northwest of Ottawa.

It will be an experimental station, generating from 10,000 to 20,000 kilowatts electric, and the cost of the power produced is not expected to be competitive with that produced by hydro or conventional thermal stations. It is scheduled to go into operation in 1958.

The main objectives of such a station of low power rating are to demonstrate the generation of electricity with an atomic plant of such a design that it will provide information for a large-scale plant, to gain practical data on the economics of power production with

nuclear plants, to gain experience in design and operation, particularly on those aspects which differ from research reactors, and to train personnel, both in plant design and in operation.

While the design and construction of NPD goes forward, a preliminary design study for a 100,000 kilowatt (electric) station will be carried out by a group composed of engineers and scientists from various power companies throughout Canada and from the staff of Atomic Energy of Canada Ltd. The detailed design and construction of such a station, and of future atomic power stations in Canada, would be the joint responsibility of private industry and of the various power companies.

COST

The estimated cost of a 20,000 kilowatt plant of the NPD design presently envisioned is just over 11 million dollars. This figure does not include the cost of development work nor the cost of the land. Atomic Energy of Canada Limited will pay the major portion of the cost of the reactor, which has been estimated at about eight million dollars, provide nuclear data and be responsible for the nuclear performance of the plant. This company will provide the fuel and the moderator and will process used fuel elements at Chalk River.

Canadian General Electric Company Limited is responsible for the detailed design and engineering of the reactor and for all con-

struction, and will contribute \$2,000,000 toward its cost. The conventional part of the plant (turbine, electrical generator, and transmission gear) will be designed and paid for by the Hydro-Electric Power Commission of Ontario, an agency of the Government of Ontario, which will also operate the plant and feed the electricity produced into its Ontario power network. The Commission will buy steam from Atomic Energy of Canada Limited at an agreed rate and AECI will reimburse the Commission for the operating costs of the reactor.

The reactor will use natural uranium for fuel, possibly slightly enriched with plutonium, and heavy water for the moderator of neutrons (fast neutrons are given off when uranium-235 atoms split and they must be slowed down or "moderated" by some medium that does not capture neutrons readily, before they split other uranium-235 atoms and thus maintain a chain reaction). The fuel will be in the form of about 200 rods sheathed in zirconium.

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INDUSTRIAL INDEX HIGHER: Canada's composite index of industrial production for May, according to preliminary figures, stood at 264.2 or 7.6% above the May 1954 index of 245.6. All major industry groups shared in the advance. The manufacturing component of the index also rose by 7.6% to 273.3 from 254.1. The index of mineral output advanced 6.5% as compared with last May to 215.6 from 202.5. The sub-index measuring production of electricity and gas stood at 281.1 in May, nearly 10% higher than one year ago.

The index of non-durable manufactures, at 238.8, was more than 6% above last May's 224.9. Output in the textiles group advanced by nearly 20%, while tobacco products and rubber products rose by 10% and 7% respectively. Smaller gains were recorded in the output of the foods and beverages, clothing, paper products, printing and publishing and chemicals industries as compared with their May 1954 production.

The composite index of durable manufactures for May stood at 327.3, 9.1% above last May's index of 299.9. The volume of non-metallic mineral output rose by nearly 16%, while production in iron and steel and non-ferrous metal groups rose by 12% and 11% respectively. Gains of between 5 and 10% were recorded by the wood products, transportation equipment and electrical apparatus groups.

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Air Commodore H. B. Long, OBE, 52, of Toronto, and St. Catharines, Ont., has been named Canadian representative on the Infrastructure Airfields Section in the NATO Secretariat at Paris, France, effective August 2, it was announced July 28 by Air Force Headquarters.

WORKERS' PENSION PLANS: The number of Canadian workers covered by pension plans has continued to increase steadily in recent years, according to information obtained from the Labour Department's annual survey of working conditions. As of April 1954, 70 per cent of the workers covered by the survey were employed in establishments in which pension plans were in operation, compared with 63 per cent in October 1951.

The 1954 survey covered 12,300 establishments in the main branches of Canadian industry employing 1,824,000 workers. Of this number 5,600 establishments, employing 1,260,000 of the workers, reported the existence of a pension plan. The total of establishments reporting pension plans was considerably higher than the total number of pension plans in effect since many of the reporting units were branches of firms which had a single pension plan for all their units.

Not all the 1,260,000 workers employed in establishments with a pension plan were actually covered by the plans since many plans had eligibility requirements based on age or length of service. Other establishments reported that their pension plans applied to male workers only. No figures were therefore available as to exactly how many of the 1,260,000 workers were actually covered by pension plans.

The survey covered establishments employing about half the total number of wage and salary workers in the labour force. Establishments employing more than 80 per cent of such workers were surveyed in the mining, manufacturing and transportation industries, but smaller proportions in other industries, ranging from 63 per cent in public utilities to about 40 per cent in trade and finance, and 11 per cent in service. Forestry and construction were not surveyed. In general the survey covered establishments with 15 or more employees.

There were approximately 7 per cent more plant employees in establishments reporting a pension plan at April 1, 1954, than in October 1951.

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Jamboree Scouts attending the Canadian National Exhibition, in Toronto, on opening day, August 26th, will see a life-size figure of Lord Baden-Powell of Gilwell, Founder of the Boy Scout Movement. The figure, done in butter, will be the central theme of a display by the Ontario Milk Producers' Co-Operative Board as a tribute to World Scouting and the Jamboree.

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Railway carloadings in the third week of July amounted to 87,861 cars, up 12.4% from 78,183 in the corresponding week last year, boosting cumulative loadings for the year to date 8.8% to 2,140,107 cars from 1,966,689.

CANADA-U.S. COMMITTEE: The Department of External Affairs announced August 5 that a meeting of the Joint United States-Canadian Committee on Trade and Economic Affairs will be held in Ottawa on Monday, September 26. The Joint United States-Canadian Committee was established following an Exchange of Notes on November 12, 1953, with the following functions:

(1) To consider matters affecting the harmonious economic relations between the two countries;

(2) In particular, to exchange information and views on matters which might adversely affect the high level of mutually profitable trade which has been built up;

(3) To report to the respective Governments on such discussions in order that consideration may be given to measures deemed appropriate and necessary to improve economic relations and to encourage the flow of trade.

The Exchange of Notes provided that the Canadian members of the Committee would be the Secretary of State for External Affairs and the Ministers of Finance, Trade and Commerce and either the Minister of Agriculture or the Minister of Fisheries as appropriate and that the United States members would include the Secretaries of State, the Treasury, Agriculture and Commerce.

The first meeting of the Committee was held in Washington on March 16, 1954.

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CBC TO COVER SCOUT JAMBOREE: The 8th World Boy Scout Jamboree at Niagara-on-the-Lake from August 18 to 27 -- the first fully international Jamboree in the western hemisphere -- will be given as complete coverage as possible by the CBC, with over 60 broadcasts scheduled in the International Service and some 29 more for the Trans-Canada, French and CBC-TV networks.

More than 70 producers, commentators, camera men, technicians and other CBC personnel will be required to cover the Jamboree for radio and TV audiences in Canada, the United States and throughout the world. Two CBC mobile vans, with a battery of six cameras, will be used and at least a dozen large tape-recording machines, amplifiers and equipment of all kinds. The CBC will erect a large tent at Niagara to serve as studio, control room, office, storeroom, repair shop and general headquarters.

The 50 CBC International Service programmes will be beamed overseas in a variety of languages, providing foreign listeners with eye-witness accounts of 10,000 Scouts in Jamboree and the reactions of overseas Scouts to the Canadian scene expressed in interviews.

* * *

Canadian factories produced \$748,250 worth of doll carriages in 1953 as compared with \$584,992 worth in 1952.

CADETS ON TOUR: More than 30 Flight Cadets from Collège Militaire Royal de Saint-Jean, P.Q., have begun an eight-week training tour that includes visits to various Air Force Stations across Canada, it was announced by Air Force Headquarters. The summer programme was arranged by the RCAF for cadets who have finished their preparatory year at the Collège.

Ground defence, survival and flying training are included on the itinerary, as are visits to various RCAF stations. Air Force officials believe that by giving the young cadets a look at RCAF stations, to let them see the Air Force in action in its many roles, the college training will be more purposeful.

The cadets are now at Camp Borden, Ontario, taking part in a four-week training tour of ground defence. During this period they will be given their first RCAF familiarization flights. The last two weeks in August will be spent at Edmonton, where the cadets will attend the Survival Training School. While in this area, the cadets will spend a day at Penhold, where the first flying lessons are given to young pilots, and will later visit the big Air Force supply base at Namao. They will also spend two days at Jasper National Park. From Edmonton they will be flown to Whitehorse and other RCAF units, and at this time will take part in a ground defence exercise.

By Labour Day the cadets will be at the Canadian Joint Air Training Centre at Rivers, Manitoba. From there they fly to the RCAF fighter base at Bagotville, P.Q. They will tour the station itself and will also visit an RCAF radar station. A flight by helicopter and a conducted tour through an aluminum plant at Arvida and the power plant at Shipshaw are also on the itinerary.

By mid-September all of the students will be back at Saint-Jean in time to begin their second year of academic training.

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APPLE CROP LARGER: Canada's 1955 apple crop is estimated at 17,646,000 bushels, 22% larger than last year's 14,500,000-bushel crop, according to advance figures released today by the Dominion Bureau of Statistics. The estimates show larger crops this year in all producing provinces.

The British Columbia crop is estimated at 6,958,000 bushels versus last year's 6,522,000 bushels and the Ontario crop at 3,663,000 bushels versus 3,071,000. In Quebec the 1955 crop is estimated at 3,175,000 bushels as against 2,500,000 bushels last year, in Nova Scotia at 3,450,000 bushels as against 2,157,000 and in New Brunswick at 400,000 bushels as against 250,000.

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Canada's provincial governments spent a total \$259,000,000 on education last year, \$25,000,000 or nearly 11% more than in 1953.

MORE CATTLE AND SHEEP; FEWER HORSES: There were an estimated 3% more cattle, 0.4% more sheep and 9% fewer horses on Canadian farms at the start of June this year than on June 1 last year, according to the Bureau's report on its annual June sample survey of farm livestock.

Cattle numbered 10,239,000, some 285,000 more than a year earlier, the number increasing in all provinces except British Columbia, where there was a decrease of 3,000 to 374,000. The sharpest increase was 75,000 to 2,085,000 in Alberta, followed by a gain of 68,000 to 2,058,000 in Quebec and 63,000 to 1,450,000 in Saskatchewan. Ontario, however, continued to be the leading cattle province with 3,066,000 head, 55,000 more than on June 1 last year. Other increases were 14,000 to 674,000 in Manitoba, 7,000 to 202,000 in New Brunswick, 5,000 to 125,000 in Prince Edward Island and 1,000 to 205,000 in Nova Scotia. The increase was sharper west of Ontario (149,000 or 3.5%) than east of Manitoba (136,000 or 2.5%), but the east continued to have more cattle than the west with 5,656,000 head versus 4,583,000.

Sheep and lambs on farms numbered 1,722,700 on June 1, up 6,300 over a year earlier, an increase to 761,000 from 739,000 in the west outweighing a decrease to 961,700 from 977,400 in the east. Most pronounced changes were a 4.7% decrease in Quebec and a 4.5% increase in Alberta. The number of horses continued to decrease in all provinces and at June 1 the total number on farms in Canada was estimated at 901,400, some 92,000 less than on the same date last year.

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MORE ASBESTOS IN 1954: Canadian producers shipped 924,116 tons of asbestos last year, 1.4% more than in 1953 when shipments totalled 911,226 tons, according to the annual report on the industry by DBS. Mill value showed a slight increase to \$86,409,212 from \$86,052,895 in the preceding year but was appreciably below the peak 1952 value of \$89,254,913. In quantity terms the peak year was 1951 when 973,198 tons were shipped. Canada is the world's largest producer of asbestos, supplying more than 60% of the total output.

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GIFT TO FRENCH ORPHANS: A sturdy, gaily painted carousel now brightens the playground of St. Michel orphanage in Plappeville, a small village near Metz, France -- thanks to the efforts of the Women's Club of the RCAF's No. 2 Fighter Wing, Grostenguin, France, Air Division officials stated on August 4.

Before the official presentation, made by Mrs. Sophie Weiser, wife of Group Captain William Weiser, the station commander, the children said "thank you" in the form of a carefully-prepared programme of songs and folk dances.

INOCULATING MILLIONS: By the spring of 1956 well over one half of Canada's 5,200,000 children under the age of 16 will have received inoculations of Salk polio vaccine, the Minister of National Health and Welfare, Mr. Paul Martin, announced July 30.

In his statement, he said, in part:

"This spring Canada carried out successfully the inoculation of nearly one million children in selected age groups, without a single mishap. All children have received two immunizing doses and a relatively small number have been given a third injection. With the exception of a small quantity of commercially produced vaccine -- imported from the United States in April and administered by private physicians -- all vaccine used in Canada was produced at the Connaught Medical Research Laboratories and allocated on the basis of population to the ten provincial Departments of Health.

"My medical and scientific advisers informed me that a sufficient time has elapsed since the last of the inoculations to be able to state that the vaccine used in Canada was completely free from untoward effects or the possibility of direct infection. However, no two children are capable of acquiring the same degree of immunity from any vaccine. Thus cases which may occur among inoculated children will result from infection circulating in the community and not from the vaccine.

"All vaccine produced at the Connaught Laboratories was double-checked for safety and potency at the federal Laboratory of Hygiene. Under the terms of the National Health Programme, the cost of the vaccine was shared equally by the federal and provincial governments with responsibility for its distribution and use placed in the hands of provincial and local public health authorities. . . .

"It is our objective in the months ahead to provide third doses for those children who have now received the first two and to immunize at least an additional 2,000,000 children before the onset of next year's polio season. This means that by the Spring of 1956, close to 1,000,000 children will have received their third and final inoculations while another 2,000,000 will have been given the first two injections. This total represents well over one-half of the nation's 5,200,000 children under the age of 16. . . ."

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NEW WAGE HIGH: Average weekly wages of factory wage-earners at the beginning of May reached a new high figure of \$59.90 as compared with \$59.31 a month earlier and \$57.57 a year ago, according to advance figures. Hourly earnings averaged 145.4 cents versus 144.3 cents in April and 141.8 cents last year. The work-week averaged 41.2 hours versus 41.1 and 40.6.

POPULATION ESTIMATED AT 15,601,000: Canada's population reached 15,601,000 at the start of June, up 119,000 since March 1 and 406,000 or 2.7% since June 1 last year, according to the annual estimates published by the Dominion Bureau of Statistics. This put the increase since the last census -- taken in June 1951 -- at 1,592,000 or 11.4%, the growth since last June comparing with gains of 414,000, 341,000 and 421,000 in the three previous years.

Sparked by a rising birth rate, a falling death rate and a large flow of immigrants, Canada's population has jumped by 3,529,000 or 29.2% since June 1945. The rapid growth since the war is graphically illustrated by the Bureau's figures. It took eight years (1929 to 1937) for the population to climb from 10 to 11 million, and another eight years for it to reach 12 million. However, it took only the first four post-war years for it to go from 12 to 13 million and only five years more for it to reach 15 million.

In the latest year the population increased in all parts of the country except in the Yukon, where the estimated total was unchanged from June last year at 10,000. The largest increase during the 12 months was 137,000 to 5,183,000 in Ontario, Quebec showing a gain of 132,000 to 4,520,000. The population of British Columbia rose by 39,000 to 1,305,000, Alberta by 27,000 to 1,066,000, Manitoba by 21,000 to 849,000, Newfoundland by 14,000 to 412,000, Saskatchewan by 11,000 to 889,000, New Brunswick by 11,000 to 558,000, Nova Scotia by 10,000 to 683,000, Prince Edward Island by 3,000 to 108,000 and the Northwest Territories by 1,000 to 18,000.

The Bureau's population estimates for intercensal years are obtained by adding births and immigrants to the census total and deducting deaths and an estimate of emigration. In the case of the provinces, migration figures are less complete and the principal data are labour force survey indications of net inter-provincial movement.

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"TOP OF THE WORLD" CONVOY: Bound for the "Top of the World" with some 4,500 tons of cargo and supplies for the joint Canadian United States Arctic Weather stations, the Department of Transport's annual sea re-supply convoy, headed by the ice-breaker "C.G.S. d'Iberville", sailed from Quebec City July 31. Known as Operation NORS II, the convoy is due to reach Resolute Bay on Cornwallis Island on August 12.

Last summer was the first time Canada undertook to assume responsibility for the annual sea re-supply operations for the joint Arctic weather stations. These stations are located at Resolute, Mould Bay, Isachsen, Alert and Eureka. At points where sea re-supply is not possible, the supplies are kept in warehouses at Resolute until they can be flown in by RCAF airlift.

TRAVEL EXPENDITURES AT PEAK: Travel expenditures of visitors to Canada in 1954 remained unchanged from 1953's peak figure of \$302,000,000, but Canadian travel expenditures abroad soared to a new peak of \$382,000,000 from \$365,000,000, according to estimates by the Dominion Bureau of Statistics.

Canada thus had an increased debit balance on travel in 1954 of \$80,000,000, up from \$63,000,000 in 1953, \$66,000,000 in 1952 and \$6,000,000 in 1951. There were credits in all other years, 1948's \$145,000,000 being an all-time high.

Expenditures by Canadians in overseas countries reached an unprecedented high of \$69,000,000 in 1954, an increase of \$11,000,000 or 19% over the preceding year. The increased spending in overseas countries contributed heavily to the aggregate debit balance in travel account with all countries.

Receipts from overseas countries jumped 10% to \$22,000,000 from \$20,000,000. The debit balance rose to \$47,000,000 from \$38,000,000 in 1953. During the past year there was an increase of nearly 20% in the number of Canadians visiting overseas countries and a rise of approximately 10% in the number of visits by residents of overseas countries.

Expenditures in Canada by residents of the United States were \$280,000,000 in 1954, slightly under the preceding year's \$282,000,000. At the same time Canadian travel expenditures in the United States rose to \$313,000,000 from \$307,000,000, resulting in a rise in the debit balance on travel to \$33,000,000 from \$25,000,000.

The number of visits to Canada by residents of the United States declined nearly 6%, while visits of Canadians to that country were practically unchanged in number.

Most of the expenditures of Canadians in overseas countries are in the United Kingdom and Europe. Expenditures in the United Kingdom increased to \$35,000,000 from \$31,000,000. Expenditures in the OEEC countries of Europe rose \$5,000,000 to \$23,000,000. Expenditures in other Commonwealth countries are chiefly in Bermuda and the British West Indies and were \$1,000,000 higher at \$7,000,000. Expenditures in the remaining countries are mainly in Latin America and accounted for \$4,000,000, an increase of \$1,000,000.

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PIPED OIL RISE: A record volume of oil was carried through Canadian pipe lines in May, the month's total amounting to 17,328,184 barrels versus 15,818,889 in April and 14,805,752 in May last year. This brought January-May deliveries to 85,505,707 barrels, an increase of 24% over last year's 69,029,410.

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Only one-third of Saskatchewan is treeless prairie.

INDUSTRIAL EMPLOYMENT HIGHER: Industrial employment at the beginning of May showed its largest gain for the time of year since 1941. The general index, on the 1949 base, rose to 107.3 from 105.7 a month earlier and 106.2 at the same date in 1954. The increase in the year, though small, is particularly interesting because employment since October 1, 1953, has been continuously below its level 12 months earlier. The latest index was 3.2% lower than at May 1, 1953, but was higher than at that date in preceding years.

Rising levels of employment at May 1 were accompanied by higher disbursements in weekly wages and salaries which rose on average to \$61.00 from \$60.68 a month earlier and \$9.15 at the same time last year. The payrolls index rose to 153.1 from 150.0 in April and 146.8 a year ago. The improvement in employment over April 1 took place to a considerable extent among men, whose numbers were higher by 1.8%; the co-operating establishments increased their staffs of women by only 0.5%. In the last 12 months, non-agricultural industrial employment for men has risen by 1% and for women by 1.3%.

The spring upsurge in industrial activity extended to most areas, and to a large proportion of the industries. Geographically, the exceptions were Nova Scotia, New Brunswick and Alberta, where seasonal influences were responsible for curtailment in employment. There were declines in logging and mining, but increases in construction, transportation, storage and communication, manufacturing and trade. The trend was upward in plants producing durable and non-durable goods, with most of the general increase in manufacturing taking place in the former group.

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ARMY COOKERY COURSE: The way to a soldier's heart is through his stomach, according to 14 members of the 1st Canadian Infantry Brigade who are attending a 13-week basic cook's course at the British Army Catering School in Duisburg, Germany.

Highlight of the course is the preparation of a full-course meal for six, consisting of soup, meat, three vegetables, and a dessert. During the last days of the course, students alternate in preparing meals for the class.

Fancy cakes and meat pies are specialities in the pastry and baking divisions. Other subjects include butchery and the techniques of frying, boiling, braising, roasting, stewing and baking.

When they return to the brigade the new chefs will become members of the Royal Canadian Army Service Corps.

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Forests cover about 15,000 square miles of Newfoundland.

MARITIME COAL INDUSTRY AID: Public Works Minister Robert Winters announced on August 5 that a newly developed automatic furnace designed to help bolster the coal industry of the Maritime Provinces will be tried out by the Department of National Defence in the homes of servicemen stationed at Camp Gagetown, N.B. Half of the first group of 30 houses to be built as permanent married quarters for the Army's largest camp will be equipped with this hot-water furnace, which is designed to use the type of coal produced in the Maritimes.

The other 15 units will have standard DND oil-fired hot air furnaces installed.

A comparison of the two systems from the point of view of tenant satisfaction and fuel and maintenance costs will be made over the next heating season and the results should influence decisions on the types of heating units specified for future DND house-building activities in the Maritimes.

The new down-draft furnace, developed by the Dominion Steel and Coal Corporation Limited is equipped for automatic firing and ash removal and will be installed in each of the four types of houses to be built.

Construction of the houses will be under the supervision of Central Mortgage and Housing Corporation.

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GUESTS FROM PAKISTAN: Seven senior members of the Provincial Civil Service of Pakistan have arrived in Ottawa to begin a three-month study of public administration in Canada, under the auspices of the Colombo Plan.

The seven civil servants, who are district magistrates in Pakistan, are particularly interested in studying the administration of justice at all levels, including county courts and sheriffs offices. As the members of this group are responsible for co-ordinating the work of all government departments in their districts, as well as administering justice, they will observe agricultural projects, public works and welfare services in Canada.

During the course of their three-month tour, the group will visit various federal departments in Ottawa, and the provincial governments of Ontario, Quebec, Manitoba, Saskatchewan and British Columbia.

Members of the group are M.A. Ali, of Punjab; W.A. Chaudhury, of East Bengal; M.I. Haque, of East Bengal; S.M. Hussain, of Punjab; M.A. Hug, of East Bengal; A.M. Khan, of Sind; and S.M. Niazi, of Baluchistan.

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More than a thousand miles of Nova Scotia highways are within sight of water.



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WEEK'S EVENTS IN REVIEW

PARLIAMENT PROROGUES: Canada's 22nd Parliament prorogued on Thursday, July 28, after sitting 140 days - a 47 year record for length.

The Speech from the Throne, read by Chief Justice Patrick Kerwin, said, in part:

Members of the House of Commons:

"Since we first met earlier this year there has been considerable evidence that the policies of the free nations to combine their strength in order to deter any threat from a potential aggressor have been successful. My Ministers believe that the more encouraging signs of international harmony are proof of the wisdom of the measures thus taken in co-operation with other democracies."

"While continuing to support the United Nations and to use all available diplomatic channels for the easing of international tensions, they remain convinced of the necessity of continuing to improve the combined defence power of the North Atlantic Alliance. Towards the fulfilment of this aim you have approved the Paris agreements which ended the occupation of Western Germany and which enabled the German Federal Republic to join the defensive alliance of the West."

"During the session several of my Ministers met with representatives of the ten Provincial Governments to make arrangements for a federal-

provincial conference which will take place this autumn.

"Meetings between the federal and provincial representatives were held in June for the purpose of determining a plan to share the costs of assistance to unemployed persons in need. The suggestions put forward at these meetings are now being studied by the Provincial Governments and the acceptances of three of them have already been received."

"In the early months of the session the employment situation gave some concern but more recently the requests for labour have greatly increased and the expanding production, rising exports and prospects of bountiful crops indicate a continuing healthy state of the Canadian economy."

"Because the economic well-being of the nation depends to such an extent on a high level of foreign trade, the Government has pursued policies aimed at securing the most favourable export markets for the products of our labour and our land. At the international review of the General Agreement on Tariffs and Trade which took place last fall and winter, Canadian delegates were active in supporting a policy of removing trade restrictions and negotiating improved tariff arrangements..."

The speech concluded with references to domestic legislation.

(C.W.B. August 5, 1955)

NRX REACTOR SHUT DOWN: A special fuel rod being tested in the NRX reactor has contaminated the heavy water moderator, forcing a shutdown that may last for several weeks. Atomic Energy of Canada Limited announced last week.

Automatic devices shut down the reactor immediately the fuel rod began contaminating the heavy water and the latter was dumped into storage tanks. The repair job will be difficult but the shut-down was not due to a major accident. The faulty fuel rod was removed without incident within a few hours.

The heavy water must be purified before the reactor can go back into operation. This job will be carried out at Chalk River.

The main operating room in the NRX building was not contaminated and only a minor amount of activity got into the cooling water that goes to delay tanks where it is held until the activity dies away.

This shut-down is in no way comparable to the breakdown of December 12, 1952, when a power surge damaged several fuel rods and the calandria (the aluminium tank which contains the heavy water moderator and the uranium fuel rods), making it necessary to reconstruct the reactor.

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AID FOR NATO NATIONS: The ports of Hamilton, Ont., Montreal and Quebec City will be busy handling further shipments of military supplies for member nations of the North Atlantic Treaty Organization in August. Six countries will receive equipment from the Canadian Army under Canada's programme of mutual aid to NATO.

Italy and Turkey will receive large shipments of gun-towing vehicles, trucks and spare parts. Radar equipment and component parts and trucks will be shipped to Portugal. Denmark will get gun-towing vehicles and spare parts. Shipments of ammunition will go to the United Kingdom and Holland will receive jeep assemblies.

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ADVERTISING TREND: Last year was another one of expansion for the advertising agency business in Canada, the number of agencies increasing by three to 91, the number of offices by 12 to 165, and the volume of business handled by \$11,823,981 or 8.2% to \$156,163,289, DES reports.

Commissionable billings increased to \$154,467,028 from \$142,957,916 in 1953, the main changes in distribution being an increase in the proportion going to radio and television and a decrease in the percentage going to publications.

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The total value of new and repair construction to be put in place this year is estimated at \$5,059,000,000, some \$369,000,000 or 8% more than the 1954 record.

TROOP TRAINING IN GERMANY: Fighting arms and supporting services of the 1 Canadian Infantry Brigade will concentrate in the Soltau area midway between Hanover and Hamburg early next month for field training. The 4,000 officers and men involved will undergo field practice for 10 days, the Department of National Defence has announced.

On August 6 the troops are scheduled to stop at Hohne enroute to Soltau to witness a firepower demonstration which will show the infantryman the fire power which would support him in defence and attack.

Troops taking part in the demonstration are "D" Squadron, Lord Strathcona's Horse with 50 ton Centurion tanks, 2nd Regiment RCHA with 25 pounder field guns and the 2nd Battalion, The Royal Canadian Regiment with rifle company and support company weapons and equipment.

The final large scale exercise in Germany for the brigade is scheduled for mid-September. Operational elements will engage in manoeuvres with the British 7th Armoured Division in "Exercise Commonwealth Four". Details have not yet been announced.

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BIG USERS OF ELECTRICITY: More Canadians used more electricity in their homes and paid more for it in 1953 than in 1952, according to the annual report on central electric stations by DBS.

Domestic electric service customers (including farm) increased to 3,283,486 or 22.21 per hundred population in 1953 from 3,112,306 or 21.57 per hundred population in 1952. Average annual consumption rose to 3,008 kilowatt hours per customer from 2,809 kilowatt hours, and the average cost per kilowatt hour to 1.70 cents from 1.65 cents. The average bill for the year was \$51.25 versus \$46.48 in 1952.

The number of customers per hundred population increased in all parts of the country and in 1953 ranged from a low of 8.22 in the Yukon and Northwest Territories to a high of 26.17 in Ontario.

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Department store sales rose 7.2% during the week ending July 16 as compared with the corresponding week last year. There were sales gains in all provinces except Quebec where the decrease was 2.5%.

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Average operating revenue per mile of road operated fell to \$26,521 last year from \$28,842 in 1953 for the Canadian National Railways and to \$27,116 from \$29,928 for the Canadian Pacific Railway Company, according to the annual reports on the nation's two largest railroads by the DBS.

CANADIANS' TRAVEL EXPENDITURES SOAR

\$382,000,000 IN 1954. Travel expenditures of visitors to Canada in 1954 remained unchanged from 1953's peak figure of \$302,000,000, but Canadian travel expenditures abroad soared to a new peak of \$382,000,000 from \$365,000,-000, according to estimates by DBS. Canada thus had an increased debit balance on travel in 1954 of \$80,000,000, up from \$63,000,000 in 1953, \$66,000,000 in 1952 and \$6,000,000 in 1951. There were credits in all other years, 1948's \$145,000,000 being an all-time high.

Expenditures by Canadians in overseas countries reached an unprecedented high of \$69,000,000 in 1954, an increase of \$11,000,-000 or 19% over the preceding year. The increased spending in overseas countries contributed heavily to the aggregate debit balance in travel account with all countries. Receipts from overseas countries jumped 10% to \$22,-000,000 from \$20,000,000.

DEBIT BALANCE

The debit balance rose to \$47,000,000 from \$38,000,000 in 1953. During the past year there was an increase of nearly 20% in the number of Canadians visiting overseas countries

and a rise of approximately 10% in the number of visits by residents of overseas countries.

Expenditures in Canada by residents of the United States were \$280,000,000 in 1954, slightly under the preceding year's \$282,000,-000. At the same time Canadian travel expenditures in the United States rose to \$313,000,-000 from \$307,000,000, resulting in a rise in the debit balance on travel to \$33,000,000 from \$25,000,000. The number of visits to Canada by residents of the United States declined nearly 6%, while visits of Canadians to that country were practically unchanged in number.

Most of the expenditures of Canadians in overseas countries are in the United Kingdom and Europe. Expenditures in the United Kingdom increased to \$35,000,000 from \$31,000,000. Expenditures in the OEEC countries of Europe rose \$5,000,000 to \$23,000,000.

Expenditures in other Commonwealth countries are chiefly in Bermuda and the British West Indies and were \$1,000,000 higher at \$7,000,-000. Expenditures in the remaining countries are mainly in Latin America and accounted for \$4,000,000, an increase of \$1,000,000.

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EMPLOYMENT JUMP: Industrial employment at the beginning of May showed its largest gain for the time of year since 1941. The general index, on the 1949 base, rose to 107.3 from 105.7 a month earlier and 106.2 at the same date in 1954.

The increase in the year, though small, is particularly interesting because employment since October 1, 1953, has been continuously below its level 12 months earlier. The latest index was 3.2% lower than at May 1, 1953, but was higher than at that date in preceding years.

Rising levels of employment at May 1 were accompanied by higher disbursements in weekly wages and salaries which rose on average to \$61.00 from \$60.68 a month earlier and \$59.15 at the same time last year. The payrolls' index rose to 153.1 from 150.0 in April and 146.8 a year ago.

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The Bureau of Statistics has released its report on the grain trade of Canada for the 1953-54 crop year. Containing 117 pages, it provides detailed statistics on such things as acreage, yield and production, inspections, elevators, rail and lake shipments, supplies, exports, and prices. Copies are available at the price of \$1.00.

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Five of Canada's ten provinces have covered bridges.

RADIO, TV INQUIRY: The Minister of National Revenue, Dr. J. J. McCann, announced in the House of Commons on July 26 that a commission or board of inquiry would be set up in the near future to study television and radio broadcasting in Canada. He said:

"One of the recommendations of the Massey Commission was that the whole subject of television and radio broadcasting in Canada be reconsidered by an independent investigating body not later than three years after the commencement of regular Canadian television broadcasting. . . . I am prepared to announce, on behalf of the Government that there will be either a commission or a board of inquiry set up some time within the near future to study the whole situation."

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Canadians bought less on the instalment plan, more on charge accounts and more for cash in the first quarter of 1955 than in the January-March period last year, according to the quarterly report on retail consumer credit by DBS. All told, retailers sold \$2,533,200,-000 worth of goods and services during the quarter, \$2,400,000 more than last year.

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During the seven days ended July 14 a total of 87,246 cars of revenue freight were loaded on Canadian railways, an increase of 11.6% over the 78,181 cars loaded in the corresponding period last year.

JUNE EXPORTS SHOW 10.5% INCREASE

HALF-YEAR REPORT: Canada's commodity export trade in June continued its gains of earlier months over 1954 to raise the half-year total 10.2% above the value for the first six months last year and also above the first half of 1953, according to preliminary figures released by DBS. Commodity imports, on the other hand, were down slightly in June from last year, but with gains in the previous five months and a record high for May, the half-year total was up 7.8% over 1954 to a value exceeded only in 1953.

Total exports in June, with gains for all regions shown in the preliminary figures, rose 10.5% to \$383,300,000 from \$346,800,000 in the same month a year earlier, bringing the six month's total to \$2,062,900,000 from \$1,871,-300,000 last year. This compares with a half-year total of \$2,019,700,000 in 1953 and the all-time peak of \$2,121,700,000 in 1952.

Commodity imports in June eased off to \$402,400,000 from \$416,100,000 in June last year, which was abnormally high because of changes in the procedure in compiling imports in that month. There was only a small increase in purchases from the United States and decreases from other regions. In the half year, however, imports increased to \$2,209,700,000 from \$2,050,100,000 last year and were only slightly below the record first half-year value of \$2,216,600,000 for 1953.

With the sharper climb in exports than imports, Canada had a reduced import balance of \$19,100,000 in June as against \$69,200,000 last year and of \$146,800,000 in the six months compared to \$178,800,000.

Commodity exports to the United States increased in June to \$232,700,000 from \$212,700,-

000 a year ago, making a total for the half year of \$1,228,500,000 compared to \$1,144,800,-000 for 1954.

Imports from the United States rose slightly in the month to an estimated \$301,400,000 from \$297,000,000 last year, and for the six months were up to an estimated \$1,650,400,000 against \$1,502,800,000. Canada's import balance with the United States thus declined in June to \$68,700,000 against \$84,300,000 a year earlier, and in the six months to \$358,000,000 versus \$421,900,000.

Exports to the United Kingdom continued to advance in June, rising in value to \$65,300,-000 compared to \$52,800,000 last year, bringing the half-year increase to nearly \$100,000,-000 at \$386,400,000 compared to \$287,000,000 for 1954.

IMPORTS FROM U.K.

The month's imports from the United Kingdom were affected by large work stoppages in that country and fell to an estimated \$27,400,000 compared to last year's \$44,600,000, and the half-year total was down to an estimated \$183,-700,000 from \$204,100,000. The export balance with the United Kingdom accordingly jumped sharply in June to \$37,900,000 against \$8,200,-000 a year earlier, widening the surplus to \$202,700,000 for the six months from \$82,900,-000 last year.

Exports to other Commonwealth countries rose moderately in June to \$18,600,000 from \$17,400,000 last year, the half-year total rising to \$112,700,000 from \$93,700,000. Commodity imports in the month were down slightly to an estimated \$19,500,000 from \$20,100,000, but for the half year were up to an estimated \$94,600,000 against \$80,800,000.

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13 NEW SENATORS: The Prime Minister, Mr. St. Laurent, on July 28, announced the appointment of 13 new Senators.

The appointments included Mr. John T. Hackett, C.C., of Montreal, a former Conservative Member of Parliament who represented the Quebec riding of Stanstead; Mrs. Florence Elsie Inman, of Montague, Prince Edward Island, the sixth woman to be appointed to the Senate; Mr. C.G. Power, wartime Air Minister, Dean of the Commons, and member for Quebec South since 1917; Mr. David Croll, Liberal member of Parliament representing Toronto-Spadina since 1945, the first of the Jewish faith to be appointed to the Senate; and Mr. Jean-François Pouliot, Liberal Member of the House of Commons for the Quebec riding of Temiscouata since 1924.

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The other Senate appointments:

Mr. Donald Cameron, Director of the Extension Department of the University of Alberta; Mr. Harold Connolly of Halifax, a former Liberal Premier of Nova Scotia; Mr. Thomas D'Arcy Leonard, of Toronto, Q.C., President and General Manager of the Canada Permanent Trust Company; Dr. Fred A. McGrath, Fredericton, N.B.; physician, and former Speaker of the New Brunswick Legislature; Mr. Hartland de Montarville Molson, of Montreal, President of Molson's Brewery, Ltd., and a Governor of McGill University since 1948; Mr. Calixte F. Savoie, of Moncton, N.B., former Edmundston high school principal; Dr. Donald Smith, dentist, of Liverpool, N.S.; a former Liberal MP; Mr. William M. Wall, of Winnipeg, Administrative Assistant to the Winnipeg Superintendent of Schools.

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There are more than 1,000 plains buffalo in Elk Island National Park, Alberta.

More than 5,000 moose and 28,000 deer were taken by hunters in British Columbia in 1953.

PROVINCIAL NET GENERAL REVENUES \$1,380,000,000

EXPENDITURES RISE: Both net general revenue and net general expenditure of provincial governments of Canada reached all-time high levels in the year ending March 31, 1955, a preliminary analysis by DBS shows. At \$1,380,-000,000, net general revenue topped the previous high 1953-4 total of \$1,336,000,000 by 3.3%, and expenditure, at \$1,409,000,000 was up 12% from \$1,258,000,000.

Tax levies were the largest single source of revenue, yielding \$554,000,000 in 1954-5 versus \$507,000,000 in 1953-4. Taxes on sales of motor fuel and fuel oil totalled \$237,000,-000 versus \$224,000,000; general sales taxes, \$127,000,000 versus \$108,000,000; succession duties, \$36,000,000 versus \$31,000,000; and amusements and admissions, \$23,000,000 in both years. Corporations taxes accounted for \$17,-000,000 both in 1954-5 and 1953-4 and corporation income taxes for \$48,000,000 down from \$49,000,000.

Federal tax rental agreements accounted for \$327,000,000 in the latest year, larger by nearly 6% than the preceding year's \$309,000,-000. Revenues from privileges, licences and permits were down to \$315,000,000 from \$331,-000,000, and liquor profits eased to \$123,000,-000 from \$125,000,000.

All principal expenditure items were larger in 1954-5 than in the preceding year. Expenditures on transportation were up to \$387,000,-000 from \$353,000,000, on health to \$235,000,-

000 from \$209,000,000, on social welfare to \$116,000,000 from \$104,000,000, on education to \$259,000,000 from \$234,000,000, on natural resources to \$109,000,000 from \$102,000,000, interest and other debt charges to \$59,000,000 from \$53,000,000, and contributions to municipalities to \$42,000,000 from \$30,000,000.

Net general revenue in Ontario rose to \$388,000,000 from \$371,000,000, in Quebec to \$331,000,000 from \$300,000,000, and British Columbia to \$195,000,000 from \$186,000,000, but in Alberta there was a decline to \$172,-000,000 from \$186,000,000. Saskatchewan revenues were \$96,000,000 (\$98,000,000 in 1953); Manitoba, \$57,000,000 (\$56,000,000); Nova Scotia, \$51,000,000 (\$49,000,000); New Brunswick, \$49,000,000 (unchanged); Newfoundland, \$33,000,000 (\$32,000,000); and Prince Edward Island, \$8,000,000 (unchanged).

Net general expenditure was higher in each of the provinces. The Ontario total rose to \$431,000,000 from \$384,000,000, Quebec to \$346,000,000 from \$311,000,000, British Columbia to \$193,000,000 from \$172,000,000 and Alberta to \$142,000,000 from \$118,000,000. Expenditures in Saskatchewan were \$94,000,000 (\$86,000,000 in 1953); Nova Scotia, \$53,000,-000 (\$51,000,000); Manitoba, \$51,000,000 (\$47,000,000); New Brunswick, \$50,000,000 (\$48,-000,000); Newfoundland, \$40,000,000 (\$33,000,-000); and Prince Edward Island, \$9,000,000 (\$7,000,000).

JOHN MURRAY GIBBON PLAQUE: The life work of a man who left a lasting impression on Canadian literature and sport will receive permanent recognition on August 7 when a plaque, set in a boulder, is unveiled in front of the Administration Building of the Banff School of Fine Arts.

The plaque, which was prepared by the Department of Northern Affairs and National Resources, at the recommendation of the Historic Sites and Monuments Board of Canada, is in memory of the late John Murray Gibbon. Mr. Gibbon was founder of the Canadian Authors' Association, the Trail Riders of the Canadian Rockies and the Skyline Trail Hikers.

In addition to numerous non-fiction works, he wrote five novels and a number of ballet operas. His last book completed in 1951, was "The Romance of the Canadian Canoe".

During his lifetime he took a keen interest in the Banff School of Fine Arts. After his death in Montreal in 1952 his body was buried in the cemetery close by the Banff School.

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Canada has about 175,000 miles of surfaced roads.

WHEAT SUPPLIES: The visible supply of Canadian wheat in store or in transit in North America on July 6 totalled 353,312,000 bushels, up from 349,028,000 a week earlier and slightly above last year's corresponding total of 352,864,000 bushels.

Overseas exports of wheat during the week ended July 6 amounted to 3,102,000 bushels against 4,063,000 in the corresponding 1954 week, bringing cumulative exports in the current crop year to 191,479,000 bushels against 186,727,000 in the previous year.

Cumulative crop year marketings of wheat were down to 254,611,000 from 346,022,000 last year.

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DEFENCE COLLEGE VISITORS: A group of students and Directing Staff, from Britain's Imperial Defence College arrived in Ottawa on August 3, to begin a month-long tour of Canada and the United States, National Defence Headquarters announced.

The party was to spend one day in Ottawa and then visit industrial and defence establishments at Petawawa, Sudbury, Toronto, St. Catharines, Niagara Falls, Port Arthur, Calgary, Victoria, Whitehorse and Fort Churchill.

DIPLOMATIC SERVICE: The Secretary of State for External Affairs announced August 2 the following appointments and transfers within the Canadian Diplomatic Service:

Mr. L.P. Picard, Q.C., M.P., who is resigning his seat in the House of Commons, is to be appointed Ambassador to Argentina to succeed Major-General the Honourable L.R. Laflèche whose retirement was announced on June 1.

Mr. Alfred Rive, External Affairs Member of the Directing Staff at the National Defence College, is to be appointed Ambassador to Ireland. He will succeed the Hon. W.F.A. Turgeon whose appointment as Ambassador to Portugal was announced on March 7. Mr. Rive is expected to take up his new duties early in October.

Mr. Paul A. Bridle will succeed Mr. Léon Mayrand about October 1 as Canadian Commissioner on the International Supervisory Commission for Laos. Mr. Mayrand will be transferred to another diplomatic post which will be announced later.

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JUNE DEFICIT \$67.1 MILLION: Budgetary revenues for June were \$350.9 million or \$31.3 million more than for June, 1954, while expenditures were \$418 million or \$33.3 million more than a year ago. For June, 1955, the budgetary deficit was \$67.1 million compared with a deficit of \$65.2 million for June last year, the Minister of Finance, Mr. Walter Harris, announced July 30 in the Government's monthly financial report.

For the first quarter of the current fiscal year, budgetary revenues were \$962.2 million, expenditures were \$892.7 million, and the surplus was \$69.5 million. For the first quarter of 1954-55, revenues were \$955.1 million, expenditures were \$846.1 million and the surplus was \$109 million.

Operations of the old age security fund, which are not included in budgetary transactions, resulted in a deficit of \$6 million for June and a cumulative deficit of \$14 million for the three months to June 30. Last year for the three months to June 30, 1954, the cumulative deficit was \$12.2 million.

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28,596,438 barrels of crude petroleum gushed from Canadian oil wells in the first quarter this year -- a new record. Output in the first quarter of 1954 was 21,824,064 barrels.

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Net inflow of foreign capital for direct investment in Canada amounted to \$376,000,000 last year \$50,000,000 or 12% less than in 1953 and the first decrease since the war. The 1954 total, however, was still substantially larger than those of prior to 1953.

PAKISTAN HYDRO: The Canadian Colombo Plan Administration announced July 28 the awarding of two contracts for the provision of an ultimate 240,000 kw. hydro-electric power and irrigation project to be constructed in the North West frontier of West Pakistan.

The contract for the design, preparation of specifications and supervision of the project has been awarded to the H.G. Acres & Company Limited, Niagara Falls, and the entire civil construction requirements have been placed under contract with Angus Robertson Limited, Montreal.

The project, known as the Warsak Hydro-Electric Power Project, will take approximately 3½ years to complete, and will involve an expenditure of about \$50,000,000. The cost of the development is being shared by the Government of Canada and the Government of Pakistan.

A brief ceremony was held at the Montreal docks on August 1 to mark the commencement of loading operations of a \$2,500,000 consignment of heavy construction equipment and stores destined for the Warsak hydro-electric power and irrigation project.

With Pakistan's high Commissioner in Canada, His Excellency Mirza Osman Ali Baig, Mr. R.M. MacDonnell, Associate Under Secretary of State for External Affairs, senior government officials and others looking on, a token shipment of crated goods, labelled with a large streamer "Colombo Plan, Canada-Pakistan", was swung aboard the SS City of Doncaster.

The equipment, which includes everything needed for the construction of a major hydro-power development - from rock drilling machinery and power shovels to a complete machine shop for maintenance - is being shipped to Karachi aboard two freighters.

The officials also saw a variety of goods imported from Colombo Plan countries and examined a wide assortment of Canadian-built equipment which is awaiting shipment to Pakistan, India and Ceylon for use in other Colombo Plan projects.

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SCHOOLGIRL CONQUERS CHANNEL: The Prime Minister of Canada and the Premier of Ontario joined hundreds of Canadians this week in sending messages of congratulations to seventeen year old Marilyn Bell of Toronto, who, on Sunday, July 31, swam the English Channel from Cap Gris Nez, France, to Abbotsciff, between Dover and Folkestone, in 14 hours, 36 minutes. She is the youngest swimmer ever to have conquered the channel.

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There were 2,969,563 motor vehicles registered in all parts of Canada except Quebec and the Northwest Territories last year, 157,-484 or nearly 6% more than in 1953. Increases were reported in all areas.



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WEEK'S EVENTS IN REVIEW

GENEVA MEETING: "What has happened this week at Geneva -- and I think it is something that might give us all cause for real satisfaction -- is that problems have been identified, positions have been clarified and machinery has been set up for the diplomatic negotiation of those problems in the months ahead through the Foreign Ministers of the four Great Powers," said the Secretary of State for External Affairs, Mr. L. B. Pearson, in a statement in the House of Commons on July 23.

Touching on recent developments in the international situation, Mr. Pearson said, in part:

"Since I last spoke, indeed since I appeared before the Committee on External Affairs not very many weeks ago, the improvement in the international atmosphere has, I think it is fair to say, continued. There has been now for many months an easing of tension which has reflected itself in international meetings that have taken place recently."

"Whether this change -- and I have said this before in the House -- is merely a matter of tactics on the other side or whether it represents a change in long-range policy, I do not know. Nor do I think it would be wise to attempt to come to any conclusion on this matter. It would, I think, be premature to assume that the danger of conflict which has existed now between the two worlds for many years has been removed, or indeed sensibly decreased."

"While we must be careful and must remain on guard, it would also be, I think, very shortsighted and unwise if we did not take advantage of every opportunity -- and there have been opportunities recently -- to broaden and deepen this improvement in the international situation which has taken place."

"In the Far East there has been some easing of tension. There has developed in a very dangerous part of the world now, the Formosa Straits, what one might call a de facto cease-fire. Efforts have been made by governments not committed to either side in this world controversy, governments which have sometimes been called neutralists -- I am thinking of the Government of India and the Government of Burma, and I am also thinking of the Secretary General of the United Nations -- efforts have been made to mediate certain outstanding differences that have for some time now persisted between the Communist Government of China and other Governments, particularly the Government of the United States."

"But that area of the Far East, and the Formosa Straits remains a danger area, and no one can rest easily as long as the two Chinese Governments face each other in hard and bitter hostility, with forces at grips at and about the off-shore islands, islands that are only a few miles off the coast of China."

"In Europe the improvement in the atmosphere which I have been talking about has culminated this week in a meeting at the summit

as it is called, at Geneva, which ended this afternoon. There were very great expectations and hopes aroused by this meeting of the heads of the four Governments, and there will be those who will say that those hopes and those expectations have not been realized. But I think everyone who has been following the course of international events in recent years, and who has been guided by experience and not by emotion in these matters, must have realized from the time this meeting was called that it would be unrealistic to expect important developments out of one meeting at the summit, in the sense that problems would be solved and difficulties removed.

"What has happened this week at Geneva -- and I think this is something that might give us all cause for real satisfaction -- is that problems have been identified, positions have been clarified and machinery has been set up for the diplomatic negotiation of those problems in the months ahead through the Foreign Ministers of the four Great Powers:

"In that sense the Geneva meeting has been most valuable and encouraging. It has not solved the problems -- and I myself never thought it would -- but it has taken the first right step on what might become a road along which progress can be made in solving these problems.

PROBLEMS

"Any hon. member who has followed what has been going on at Geneva this week will, I know, be struck by the fact that while problems have been clarified to some extent, while machinery has been set up and views have been exchanged, the problems are still there. As far as I can gather there has not been very much alteration in the fundamental policies on the other side in respect of such things as the unification of Germany and the limitation of armaments.

"What has happened is that the presentation of the case by the other side -- I think we must all welcome this, especially those of us who have been subjected to the other type of presentation -- has been more affable. That is all to the good. I think we can take some satisfaction at least from this change of atmosphere which may lead to something more important now that the process of negotiation has begun.

"Personally I hope for a continuation of this process through the Foreign Ministers and through other mechanisms inside and outside of the United Nations which may be set up or which have already been set up. I hope that in this process the negotiators will not be subjected to such publicity, exciting publicity, as that which has been reflected by the presence at Geneva this week of between 1,500 and 2,000 press, radio and television correspondents. I agree, however, that on this particular occasion at a meeting held at the summit one can expect that kind of attention.

"In other words, what has happened at Geneva is the beginning of a long process which we hope will in the end result in the solution of the problems that divide the world, which if they are not solved will result in danger to all. No one meeting at the summit will solve these problems. A multitude of meetings below the summit, official and non-official, will be required. That process has begun and we are hoping that it will be satisfactorily concluded. It will require on our side, patience and strength and unity.

"Before the Geneva meeting began, just a week ago today, I had the privilege of attending a meeting of the NATO council in Paris at which the 15 Foreign Ministers of the NATO Governments were present. At that meeting -- I think this is the process of consultation at its best; it is one of the things we hoped NATO would be used for -- the three Foreign Ministers who were going to Geneva told those representing the other 12 member states quite frankly and quite fully their hopes and their fears about Geneva, their plans and their policies, and gave us an opportunity to express our views.

UNITY OF NATO

"In no sense did those three act at Geneva for the other 12, as we had our responsibilities to our own Parliaments and Governments. They could not, of course, be delegated by a NATO Council meeting in Paris. But that meeting did give us a chance to hear of their plans and policies, to comment on them, to give them our own views. In that sense it was valuable. It was also an interesting and useful indication of the unity of the countries making up the NATO coalition.

"On the eve of the Geneva conference I think that may have been wise and of some value because the Geneva discussions have shown that one of the primary objectives of the Soviet Union and its friends is to weaken, or indeed to break up, that coalition. That is why I said last Saturday in Paris that NATO was not negotiable.

"When I said that I did not mean that the deployment, the level of armaments, or the uses to which forces could be put and all that sort of thing were not negotiable. It may be part of the general price we will have to pay for a true peace settlement. That sort of thing can be discussed with anybody at NATO or outside of NATO. But NATO itself as a regional organization for collective security is not negotiable; its existence is not up for negotiation as long as there is no better way through the United Nations to guarantee our security collectively.

"At London before and after the NATO meeting I had the opportunity to discuss developments with the Foreign Minister and other members of the United Kingdom Government.

"While I have mentioned the Geneva conference and NATO I would not want to overlook one other useful meeting in recent weeks, the meeting at San Francisco to celebrate the tenth anniversary of the United Nations. I think that meeting turned out to be a very good and valuable development because it focused, and there was need to focus at this time, the attention of the world on the United Nations and its achievements about which we do not always hear so much, as well as its failures about which we always hear more; about its limitations as well as its possibilities.

"If it could only do the work it was meant to do ten years ago when we set it up we would not be talking today about NATO or conferences at the summit, because we would not need them. It may be that one day we will be able to use that world organization as it was meant to be used.

"Until that time we will be well advised, in so far as political collective security is concerned, to continue our support for regional organizations like the North Atlantic Treaty Organization, to keep them strong and united, to do our very best to convince those who fear these organizations, that they are defensive in character, that they have no aggressive intent against anybody.

TRUST AND CONFIDENCE

"If conditions improve, if there is more trust and confidence in the world than unfortunately is now the case, then, but only then, we will be able to modify our attitude toward these regional defensive collective organizations, especially if the work which they now do can be done through the United Nations.

"On the whole, then, I would say that the last two or three months have given us cause not for exultation, not for unreasonable expectation, but for sober encouragement. The processes of negotiation between the two worlds have now begun. Some imaginative proposals have been put forward, especially the one by the President of the United States the day before yesterday in respect to disarmament. That is a key subject, as it has been for many years, and it is an evidence of our good intentions.

"All this has been hopeful and has been helpful. If we can continue on our side that process which we have begun, not merely relying on our strength and our unity but also on our determination to achieve the one objective which matters most in the hydrogen age, namely peace; if we subordinate everything to that objective and maintain a realistic sense of balance, not being too excited or encouraged when things seem to go right -- sometimes

dramatically so -- and not getting too depressed or downcast when things seem to be going wrong; and if we can maintain the essential unity with our friends which we have built up over these years, then I think we can look forward to the immediate future with more confidence than we could a year ago today."

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INVITE 18 COUNTRIES: Military representatives from 18 countries have accepted invitations to be present as observers during Exercise "Rising Star", the divisional-scale training exercise to be carried out at Camp Gagetown, N.B., August 7-14, it was announced July 18 at Army Headquarters.

The 18 countries are: Australia, Belgium, Denmark, Finland, France, Israel, Italy, Norway, Pakistan, Portugal, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States of America and Yugoslavia.

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AID FOR ALLIES: Eight RCAF Sabre jet ground technicians have returned to Canada after spending more than seven months in Turkey and Greece, it was announced July 18 by Air Force Headquarters.

The team of NCO's has been instructing Turkish and Royal Hellenic Air Force instructors on the maintenance and ground handling of F86 Sabre fighters. This has been done by means of an aircraft systems trainer, one of which has been given to each air force. This training device provides an "inside look" at various parts of the Sabre, such as fuel and electronic systems, hydraulics and controls.

The overseas duty of the eight technicians resulted from Canada's gift of 164 Canadian-made Mark 2 Sabre jets to Turkey and Greece, under the Mutual Aid Programme.

* * *

RETAIL SALES RISE: Total sales of all retail stores in Canada during May reached an estimated \$1,120,909,000, up 1.6% over April sales of \$1,103,387,000 and 5% above last year's sales of \$1,067,584,000. Cumulative sales for the first five months amounted to \$4,757,537,000, an increase of 2.8% over \$4,627,759,000 last year.

Sales were larger this May than a year ago in six of the seven regions. They were up 9.4% in British Columbia at \$113,943,000, 6.1% in Ontario at \$431,453,000, 5.3% in Quebec at \$262,371,000, 5.2% in the Atlantic Provinces at \$99,565,000, 4.6% in Alberta at \$84,426,000 and 3% in Manitoba at \$61,011,000. In Saskatchewan sales were down 6.8% at \$68,146,000.

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The number of passenger cars registered in Canada increased to 2,682,430 last year from 2,513,754 in 1953.

PARLIAMENTARIANS AT SOEST: Twenty Canadian Senators and Members of Parliament arrived at Soest, Germany, July 24, on a two-day visit with the 1st Canadian Infantry Brigade. As members of the NATO Parliamentary Association, they had been attending a conference in Paris.

Brigadier W.A.B. Anderson, Commander of the 1st Brigade, met the visitors and briefed them on a busy itinerary which included training programmes, visits to camp installations and married quarters.

On July 25 the Parliamentarians split into three groups to attend Canadian community council sessions in Wehl, Hemer and Soest. Guest speakers at the meetings included Mr. John Diefenbaker, Prince Albert; Mr. Alistair Stewart, Winnipeg North; and Mr. Elmore Philpott, Vancouver South.

On July 26 the group saw a company of the 2nd Battalion The Royal Canadian Regiment, take part in an infantry assault boat landing on Mohne Lake. They also watched troops of the 2nd Battalion PPCLI on an assault course, gun drill by the 2nd Regiment RCHA and a demonstration of mechanical mine laying by the 2nd Field Squadron, Royal Canadian Engineers.

They left July 27 for a visit with 1st Canadian Air Division at Metz, France.

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MACKENZIE KING CEREMONIAL: Mr. David Croll, Toronto Liberal Member of Parliament, and Senator A.L. Woodrow, also of Toronto, laid a wreath on the grave of former Prime Minister W.L. Mackenzie King in Mount Pleasant Cemetery in Toronto on Friday, July 22, the fifth anniversary of the death of Mr. King. The graveside ceremony was attended by some who had participated in the 1919 Liberal convention at Ottawa, when the late Mr. King was chosen as party leader, and entered upon a career of public service unparalleled in Canadian history.

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HOSPITAL EARNINGS: Patients paid directly 37.5% of the net earnings of Canada's public hospitals in 1953. They paid another 18.4% through Blue Cross, 3.4% through the Workmen's Compensation Board, and 8.4% through other group plans and contracts. Government-supported hospital care plans paid 23.7% of the national total, almost the entire sum going to hospitals in Saskatchewan and British Columbia which have provincial plans in operation. Direct government grants for individuals made up the other 8.6%.

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The value of cheques cashed in clearing centres across Canada rose to \$14,068,871,000 in May, 11.6% above last year's May total of \$14,610,578,000. This put the tally for the first five months of 1955 at \$64,492,395,000, up 6.6% from \$60,497,195,000 a year earlier.

SECURITIES TRADE: Trade in outstanding securities between Canada and other countries during April resulted in a sales balance or capital import of \$17,400,000, which was the largest monthly inflow - with the exception of \$20,900,000 in June last year - for more than four years. It resulted from sales of \$99,900,-000 and purchases of \$82,500,000.

Net sales of Canadian stocks during the month amounted to \$25,800,000, bringing the total for four months to more than \$77,000,000 compared to \$121,000,000 for the whole of 1954.

April transactions with the United States led to a sales balance of \$12,800,000, sales climbing to \$85,200,000, substantially above any month in the previous twelve, and purchases amounting to \$72,400,000. Net sales of Canadian common and preference stocks produced \$21,900,000 in April and Canadians disposed of foreign securities, mainly United States stocks, valued at \$3,200,000. There were net repurchases of other Canadian securities, mainly bonds of governments and municipalities, totalling \$12,300,000.

There were also sales balances in April of \$2,600,000 with the United Kingdom, and of \$2,000,000 with other overseas countries. Residents of the United Kingdom added \$3,000,-000 to their holdings of Canadian stocks, but Canadians used part of the proceeds to acquire non-Canadian securities in the United Kingdom. The sales balance with other overseas countries, the Bureau reports, reflected mainly the acquisition by non-residents of stocks and bonds of Canadian corporations.

* * *

LABOUR INCOME RISE: Canada's working men and women earned a total of \$1,013,000,000 in April, \$16,000,000 more than in March and \$55,000,000 or 5.7% more than in April last year, DBS reports.

Labour income was higher than a year earlier in all branches of the economy. The total for agriculture, forestry, fishing, trapping and mining advanced to \$59,000,000 from \$57,000,-000 in April last year, for manufacturing to \$336,000,000 from \$332,000,000, for construction to \$63,000,000 from \$59,000,000, for utilities, transportation, communication, storage and trade to \$266,000,000 from \$254,-000,000, for finance and services to \$253,000,-000 from \$231,000,000, and for supplementary labour income to \$36,000,000 from \$35,000,000.

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GAME BIRDS SEASONS: Late spring seeding operations in Alberta and Saskatchewan have increased the possibility of duck damage to crops, and as a result, the open season there on some game birds has been lengthened. In both Provinces daily bag limits or possession limits are higher this year. British Columbia hunters, too, will benefit from a slightly longer season.

CIVIL DEFENCE: In the event of a national emergency under conditions of modern war, the Civil Defence organization in Canada may require assistance from the Armed Forces. To the extent that this is practicable, the Armed Forces, on request, will assist in the work of civil defence in a war emergency as they do in national disasters from natural causes, the Minister of National Defence, Mr. Ralph Campney, has announced.

The Armed Forces must, of course, be available for their primary role in the defence of Canada within the North Atlantic Treaty Organization, the Minister said. They will not, therefore, become a part of the Civil Defence organization or assume any of its functions, but they will stand ready to provide assistance in an emergency, if called upon by the civil authorities.

The Canadian Army has been allotted the task of coordinating and planning the efforts of the three Services in the provision of assistance to the Civil Defence organization. Liaison officers will be available at each Army Command throughout Canada to advise and assist the provincial civil defence authorities in planning.

Through this new arrangement, in an age of long-range aircraft and thermonuclear weapons of unprecedented destructive power, the Armed Forces will be ready, in a war emergency, to come to the aid of the Civil Defence organization.

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STORE SALES JUMP: Canada's department stores sold an estimated \$93,270,000 worth of goods during May, an increase of 10.1% over sales of \$84,688,000 in May last year. With the sharp gain in May, sales for the first five months this year reached an estimated \$400,610,000, up 5.8% over sales in the corresponding 1954 period. April-end stocks in department stores had an estimated selling value of \$264,270,000, an increase of 4.2% over the \$253,688,000 value of stocks a year earlier.

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CROPS IMPROVE: Warm, bright weather has favoured rapid crop development throughout the Prairie Provinces during the past week and prospects have continued to show improvement according to a telegraphic crop report released July 21 by the Bureau. Although moisture supplies are generally adequate for present requirements, further rains will be needed to ensure proper filling, particularly of late-seeded crops. A large proportion of the wheat crop is now headed and in Manitoba some fields have started to turn colour. Some loss occurred from scattered hail storms and aphid infestations, but overall crop damage has been relatively light to date.

SEAMAN INVENTOR: Ingenuity of a leading seaman of the Royal Canadian Navy, now on exchange duty with the U.S. Navy's Air Anti-Submarine Squadron 26, has solved an ordnance problem in anti-submarine warfare work with the S2F-1 "Sentinel" aircraft of the USN.

The inventor is Ldg. Sea. Kerry Philip Briard, 21, of St. Catharines and Weller Park, Ont., one of a dozen RCN personnel who joined VS-26 in May to become familiar with the operation and maintenance of the S2F.

The S2F carries three rocket projectiles on each wing. A "pigtail wire" connects the propelling charge of the rocket motor to the electrical circuit of the aircraft. The wire is supposed to break away when the rocket fires. Frequently it hasn't done so, which means the igniter receptacle shears off and the pigtail plug shatters.

Briard designed a wirecutter on the plane's leading edge to assure the pigtail wire will break cleanly. Proven successfully at the Naval Air Station, Norfolk, the invention, although comparatively small, is expected to save the U.S. Navy many dollars and man hours.

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AUSTRALIAN MINISTER'S VISIT: Australia's Minister of Supply, the Honourable Howard Beale, was a visitor in Ottawa last week. Arriving in Montreal on July 20 he proceeded to Chalk River and on July 21 visited the installations of the Atomic Energy of Canada Limited; on July 22 called on the Prime Minister, Mr. St. Laurent; the Minister of Trade and Commerce, Mr. Howe, and various government officials in Ottawa. Mr. Howe entertained at luncheon on July 22 in honour of Mr. Beale.

Mr. Beale left Ottawa on July 23 for a visit to Arvida, Quebec, as guest of the Aluminum Company of Canada, and left for Washington on July 24.

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NRC SCIENTISTS HONOURED: Three scientists of the National Research Council were honoured recently by being named Fellows of the Royal Society of Canada (FRSC). They are: Dr. N.E. Gibbons, MBE, head of the food microbiology section, Division of Applied Biology; Dr. J.A. Morrison, head of the surface chemistry section, Division of Pure Chemistry; and Dr. E. Pickup of the cosmic ray group, Division of Pure Physics.

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Major K.E. Cunningham, 31, of Toronto, an officer of the 48th Highlanders of Canada (Militia), has been selected for employment with the United Nations Military Observer Corps in India and Pakistan, it was announced July 26 at Army Headquarters.

MR. PEARSON PLANS TO VISIT MOSCOW

EN ROUTE TO SINGAPORE: Barring unforeseen difficulties, the Secretary of State for External Affairs, Mr. L.B. Pearson, plans to visit Moscow for a week in the beginning of October.

Among the subjects touched upon by Parliamentarians during discussion of Department of External Affairs estimates in the House of Commons on July 23 was that of exchange visits of Parliamentarians and the invitation extended to Mr. Pearson in San Francisco by Mr. Molotov.

Mr. Pearson said, in part:

"So far as Parliamentary visits are concerned, there is no possible objection on the part of the Government to a visit by Canadian Parliamentarians to the Soviet Union. As hon. members know, an invitation or something which has been considered as an invitation, has been received. We do not stand on technicalities in this matter. Although the invitation, as hon. members know, is a little unusual, it has been referred to the Speakers of the two Houses and I think is something that now should be left in the hands of the Speakers and probably the whips of the various parties.

"If it is desired that a visit of that kind should be arranged, certainly no obstacles would be put in its way by the Government. On the other hand, a visit from Parliamentarians, if I might call them that - although I think I should put inverted commas around that word - from the Soviet Union to Canada would, in my opinion, be a matter for the Government because the invitation for such a visit might be expected on the other side of the iron curtain to come from the Government.

"I am not sure that this might not be the most useful and interesting way to begin this exchange, namely to have a select group of the Soviet Congress - for the moment I cannot re-

call the exact name of it - come to Canada as guests not of the Soviet Embassy or of any particular organization devoted to Canadian-Soviet friendship but as the guests of the Government or the Parliament -- or both -- of Canada, to be given an opportunity to see how democracy works in this country.

"Such a visit might have a helpful effect on them and it might have a helpful effect on us. Hon. members know that some Soviet agricultural representatives -- I am not exactly certain of their political status; I do not think they are members of the Soviet Congress, but they might be -- are now in the United States, in the State of Idaho, studying agricultural production. That group is coming to Canada on completion of its visit to the United States.

"So far as the invitation to myself is concerned, I have already been in touch with the Soviet Government through their Ambassador here, and arrangements are now being worked out satisfactorily for a visit in October if present plans can be carried through. There is always the possibility of some emergency which may change the arrangements, but if the present plans are carried through I expect to spend a week in the beginning of October in the Soviet Union en route to Singapore, where I shall be representing the Government at the Ministerial Meeting of the Colombo Plan. It may be that there will be a meeting of the Big Four Foreign Ministers in that month, or there may be some other development which would interfere with such a visit. I would hope that nothing of the sort will happen, and that I shall be able to carry out my plans and accept the invitation for a week's visit to Moscow and the Soviet Union while en route to the meeting of the Colombo Plan conference at Singapore. . . ."

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IMPROVED FLAME-THROWER: A gratuity of \$5,000 largest amount of its kind ever granted a member of the Armed Forces, has been awarded to a Canadian Army officer for the invention and development of the "Iroquois", an improved type of tracked flame thrower, the Minister of National Defence, Mr. Ralph Campney, announced July 27.

The inventor is Major Henry Sorensen, CD, 45, of Edmonton, Alta., Army Technical Liaison Officer at the Defence Research Board's Suffield Experimental Station, Suffield, Alta.

Major Sorensen has been working for the past eight years on the development of an improved flame-throwing weapon which is "50 percent better in almost all respects than weapons previously in use".

The "Iroquois" has greatly increased range, portability, simplicity of operation, and reduced manufacturing costs and training time. Details of its performance are still classified.

Military authorities from the United Kingdom and the United States have expressed interest in the new weapon and several demonstrations have been conducted by Major Sorensen in these countries during the past two years.

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An estimated \$191,890,000 will be spent on the construction of schools and other educational buildings in Canada this year, \$18,099,000 more than in 1954.



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WEEK'S EVENTS IN REVIEW

ECONOMIC PICTURE "GOOD": Canada's economic picture is "good", the Minister of Trade and Commerce, Mr. C.D. Howe, said in the House of Commons on July 14. In introducing for Parliamentary approval the estimates for his Department, the Minister spoke, in part, as follows:

"I can report that the Canadian economy is booming as never before. Our exports are at record levels; capital investment will undoubtedly reach the highest figure on record, and production is also at a very high level. Production is always dependent somewhat upon crop conditions; but the western crop promises to be of almost record proportions, in spite of the slightly lower acreage that was planted this year. . . .

"The pick-up in exports started last November. For the first five months of this year the exports are a little over 10 per cent higher than for the previous year. The record of the first five months represents a new record total, and the level of exports as compared with the previous year is rising month by month.

"About half the improvement in our exports this year is due to the marked increase in our exports to the United Kingdom. It has been stated in this House many times that we have been losing our markets in England. That has never been true. After the war Great Britain was short of dollars, and is still short of dollars -- but not as short as she was pre-

viously -- therefore her imports from dollar countries had to be sharply curtailed. While for a time the dollar value of our exports slipped somewhat under the value of exports in pre-war years, our proportion of the market did not fall below our proportion in those years. It has always been somewhat higher than our proportion during the pre-war years.

"During the first five months of this year the increase has amounted to 37 per cent, which is the sharpest increase we have had in exports to that market. And I am happy to say that our improved position is continuing now that there can be further relaxation of dollar controls. We believe the British market will continue to expand, and that our proportion of the market will continue to grow.

"As a matter of fact, of the expansion in imports in the British market during the past five months, half of the increase represents imports from Canada. That is a very satisfactory position. We have also had a substantial improvement in our exports to other commonwealth countries.

"I had the privilege of visiting Australia and New Zealand this spring, and while there I discussed credit restrictions with the authorities in both those countries. While there certain relaxations were obtained and are bearing fruit. Our exports to Australia, New Zealand, South Africa and other commonwealth countries are contributing to the

substantial increase in exports we are experiencing at the present time.

"The United States market slipped off during 1954, owing to the recession in that country. But, as hon. members know, the situation there has been corrected, and our exports are back to slightly above the levels of 1953 -- which was the banner year for exports to the United States.

"Therefore I would say the over-all picture is good. There have been some disappointments in countries that we call other than British countries; I am thinking chiefly of South American countries. Their exchange situation has worsened, and there has been no improvement in our exports to 'other countries'. But with our substantial improvement in exports to British countries, and with an improvement over the record year of exports to the United States, we feel that the situation in that regard is in a very healthy condition indeed.

"We have had some disappointments in exports of wheat. Just when a good movement seemed to be getting under way, it has been upset by dock strikes and railway strikes in England, or difficulties in other markets. Nevertheless our exports of wheat and wheat flour are slightly above those of last year, and our sales as of July 1 are substantially above our sales as of July 1 a year ago. So that there is some encouragement in the export situation for wheat and other grains.

TRADING RELATIONS

"Our trading relations with countries of the world are good. I believe our trade commissioner service is doing excellent work. Not only do they report substantial business opportunities, but reports to the Department about their work from businessmen travelling abroad are such as to make me feel happy about that service.

"Our Bureau of Statistics is maintaining its place as one of the most reliable in the world, and I think our economic branch is doing excellent work in forecasting. I know that the forecasts put out by the Department of Trade and Commerce are highly regarded by those in business interested in the same work, and I believe it is a very efficient branch of the Department. Crown companies, for which the Department is responsible, seem to be prospering.

"Atomic energy is still in the expansion stage; it has not actually reached operating level. Eldorado is doing very well indeed. Generally speaking, the business affairs of the Department are in a healthy condition..."

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CBC ASSISTANT CONTROLLER: Mr. Charles Jennings has been appointed CBC Assistant Controller of broadcasting. Mr. Jennings will also retain his duties as Director of Programmes for the Corporation.

PARCEL POST TO U.S.S.R.: The Postmaster General, Mr. Alcide Côté, announced July 15 that following the recent conclusion of a Parcel Post Agreement between Canada and the Union of Soviet Socialist Republics, a parcel post service will be established between the two countries effective August 1.

Those present at the signing ceremony included Mr. Côté, Mr. D.S. Chuvahin, the Ambassador of the Union of Soviet Socialist Republics to Canada, Mr. W.J. Turnbull, Deputy Postmaster General, Mr. V. Loginov, Counsellor, Soviet Embassy and Messrs. G.A. Boyle and H.N. Pearl, Director and Chief Superintendent, Administration Branch, Post Office Department, respectively.

This parcel post service which will operate via Great Britain and Finland Should prove most welcome to prospective mailers in Canada who have been anxious to send postal parcels to their relatives and friends in the Soviet Union.

Certain operational details remain to be settled but it is expected that they will be satisfactorily concluded in good time and that detailed information as to conditions of mailing should be in the hands of the Postal Service by the last week in July.

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ARCTIC AIRLIFT: Helicopters flying from the Arctic patrol vessel HMCS Labrador, of the Royal Canadian Navy have carried out a highly successful airlift operation in support of the DEW Line project in Canada's far north.

As a part of her DEW Line survey operations, it was necessary for the Labrador to set up a navigational control station on an Arctic island. Heavy pack ice precluded the use of the ship's boats, so the Labrador's three helicopters were pressed into service.

In 20 flying hours, 20 tons of electronic equipment, supplies and accommodation materials were flown from ship to shore. Seventy-six sorties were made by the Labrador's one Piasecki and two Bell helicopters.

Their loads included a 600-pound generator, a 200-foot radio mast and 500-pound drums of diesel fuel. These unusual and cumbersome cargoes required the introduction of novel methods of pick-up at the ship and delivery at the site.

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TO DOMINICAN REPUBLIC: At the invitation of the Dominican Republic Mr. Andrew Thomson, Controller of the Canadian Meteorological Service of the Department of Transport, left Toronto July 19 for Ciudad Trujillo for discussions during the following week with the Dominican authorities with regard to development and progress in weather service. Mr. Thomson is President of Region IV, North and Central America, of the World Meteorological Organization.

VARIED GAINS IN MAY EXPORTS

INCREASES TO U.K., U.S. Detailed figures on Canada's domestic export trade in May, released July 14 by the Bureau, show continued gains in shipments of wood and paper products, non-metallic minerals, and chemicals and allied products, and a moderate rise in exports of iron and its products. By areas, there were increases to the United Kingdom, other Commonwealth countries, the United States and Europe but reduced shipments to Latin America and other foreign countries as a group.

Total value of domestic exports in May was \$366,972,000 up 3.5% from \$354,710,000 a year earlier. Average prices were about 1% higher, the volume being about 2 4% larger. The month's gain was less than in the previous four months, the cumulative total for the five months ending May rising 10 4% to \$1,654,173,000 from \$1,498,114,000 in the 1954 period.

Domestic exports to the United Kingdom rose to \$66,643,000 in May from \$58,256,000 in the previous year, bringing the cumulative total to \$319,762,000 from \$232,057,000 in 1954, these gains representing more than half of the total gain in each period. Main increases in May were in agricultural and vegetable products, non-metallic minerals, chemicals and iron products, while in the five months wood and paper and non-ferrous metals were also higher.

Shipments to other Commonwealth countries were moderately higher in the month at \$20,967,000 versus \$19,567,000 and for the five

months stood at \$93,506,000 against \$75,967,-000. Major gains in the month and five months were to the Union of South Africa, India and Australia.

Shipments to the United States increased to \$217,482,000 in May from \$208,827,000 and for the five months aggregated \$974,604,000 compared to \$912,107,000. In both periods exports were higher for wood and paper, non-ferrous metals, non-metallic mineral and chemical products, while in May iron and steel products also rose. Partly offsetting these gains were continued lower shipments of agricultural and vegetable products and animals and animals products.

A further sharp drop in shipments to Brazil was mainly responsible for a drop in the value of exports to Latin America to \$14,185,000 in the month from \$19,364,000 last year and a decline in the five months to \$64,638,000 from \$77,583,000. Sales to Argentina, Colombia and Mexico continued to rise.

Exports to European countries rose to \$34,003,000 from \$31,601,000 in the month and for the five months were up to \$133,152,000 from \$111,794,000. Chief gains in the month were to Belgium and Luxembourg, France, Ireland and the Netherlands, while for the five months exports were higher to these countries and Germany. To all other countries exports were down in aggregate value to \$12,608,000 in May from \$15,709,000 the previous year and to \$62,080,000 in the five months from \$83,692,-000.

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MORE AUTOMOBILES There were 3,644,589 motor vehicles registered in Canada last year, 213,917 or 6.2% more than in 1953, according to the Bureau's preliminary report. The increase compared with one of 274,848 or 8.7% in 1953. Licensed passenger automobiles numbered 2,682,430 in 1954 versus 2,513,754 in 1953, average population per passenger car decreasing to 5.7 from 5.9.

The number of motor vehicle registrations increased last year in all parts of the country. Numerically, the largest gain was in Ontario, where the number rose by 83,861 or 6% to 1,489,980

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PARITY PRICES PROPOSAL: By a vote of 108 to 59, the House of Commons, on July 13 defeated a C.C.F. demand for parity prices for farm products. The proposal, submitted by way of an amendment to a motion to go into supply would have had the House declare.

"The Government should give consideration to the advisability of establishing a system of parity prices for agricultural products."

WHEAT SUPPLIES: Visible supply of Canadian wheat in store or in transit in North America was 349,028,000 bushels on June 29, up from 341,341,000 a week earlier but slightly under last year's 349,450,000 bushels. Overseas exports of wheat during the week ended June 29 totalled 3,594,000 bushels versus 2,747,000 in the corresponding week last year, bringing cumulative exports in the current crop year to 188,377,000 bushels versus 182,664,000 a year earlier

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SENATOR KING DIES: Senator James H. King, former Cabinet Minister and former Speaker of the Senate, died in Ottawa on July 14 at the age of 82

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Sales of wholesalers in nine trades averaged 7 4% above the 1954 level in May and their month end inventories were worth 3.4% less than a year earlier, DBS reports. Sales were higher this May for eight trades and month-end inventories were lower for five.

CANADA AT "A" CONFERENCE: Canada is sending a delegation of 26 to the International Conference on the Peaceful Uses of Atomic Energy to be held in Geneva, August 8 to 20.

Mr. W.J. Bennett, President of both Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited, will head the Canadian delegation. Dr. W.B. Lewis, Vice-President, Research and Development, Atomic Energy of Canada Limited, is one of six scientists appointed by United Nations Secretary Dag Hammarskjold to act as vice-presidents of the conference.

The 60 member nations of the United Nations and the 24 countries not in the U.N. but which are members of U.N. special agencies have been invited to attend the conference. Main topics on the agenda are atomic power and the use of radioactive isotopes in medicine, biology, agriculture and industry.

Thirteen scientific papers will be presented at the conference by the Canadian group, covering such topics as an economic forecast of the role of nuclear power in Canada, characteristics of the NRX reactor, the use of radioactive iodine in clinical studies of thyroid and salivary gland function, prospecting for uranium in Canada, economic aspects of nuclear fuel cycles, the handling and distribution of radioactive cobalt-60 (used in the treatment of cancer), the use of radioactive isotopes in agriculture and silviculture, processing of uranium ores, disposal of radioactive wastes, and health and safety in reactor operations and chemical processing plants.

A Canadian exhibit covering 1,150 square feet will be on display on the Palais des Nations throughout the conference.

Atomic Energy of Canada Limited will distribute at the conference a 72-page booklet describing the Canadian atomic energy programme.

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ICNAF COMMISSIONER: Mr. George R. Clark, Deputy Minister of Fisheries of Canada, has been appointed a Commissioner of the International Commission for the Northwest Atlantic Fisheries.

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Mr. L. Guy Eon, 42, of Ottawa, Senior Telecommunications Staff Officer at Defence Research Board Headquarters and a member of the team that developed the Mid-Canada Early Warning Line now being established across Canada, has been named Deputy Defence Research member to the Canadian Joint Staff in Washington.

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Canada's consumer price index decreased 0.4% from 116.4 to 115.9 between May 2 and June 1. Most of the change was attributable to a decline in the food index.

PROVINCIAL FINANCES. Net general revenue of Canada's ten provincial governments in the fiscal year ending March 31, 1956, calculated from information derived from the estimates and budget speeches presented to the provincial legislatures last Spring, is estimated at \$1,358,000,000 compared with \$1,311,000,000 estimated for the previous fiscal year the Bureau reports in its annual summary of estimates of revenue and expenditure of provincial governments. Net combined ordinary and capital expenditure, on the same basis, is estimated at \$1,505,000,000 compared with \$1,353,000,000 estimated for 1954-55.

The total yield of taxes is estimated for the current year at \$553,000,000, up from \$534,000,000 estimated for the previous year. On the other hand, estimated provincial revenue under the federal tax rental agreements totals \$320,000,000 against \$327,000,000. This drop is due to the slight decline in gross national product in 1954, the tax rental payments being affected by the previous year's gross national product per capita. Privileges, licences and permits are estimated at \$305,000,000 compared with \$262,000,000 and liquor profits at \$119,-000,000 against \$117,000,000 in the previous year's estimate.

EXPENDITURES

On the expenditure side, transportation and communications accounts for \$432,000,000 of the estimated total as against \$370,000,000 estimated for 1954-55. Health and social welfare expenditures are placed at an aggregate \$364,000,000 against \$335,000,000, and education at \$300,000,000 compared to \$247,000,000. Estimated expenditures on natural resources and primary industries are also up to \$118,-000,000 as against \$108,000,000.

Preliminary compilations of actual results in the fiscal year 1954-55, presented in the Bureau's report, show a rise in net general revenue for the ten governments to \$1,380,-000,000 from \$1,335,000,000 in 1953-54 and in net general expenditure (excluding debt retirement) to \$1,409,000,000 from \$1,257,000,000. These totals compare with \$1,076,000,000 revenue and \$1,073,000,000 expenditure for the fiscal year 1951-52.

The total tax yield for the fiscal year 1954-55 is expected to amount to \$554,000,000, up from \$506,000,000 in 1953-54.

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There were 1,892,191 cars of revenue freight loaded on Canadian railways in the first half of 1955, an increase of more than 8% over the January-June period last year, when 1,745,406 cars were loaded.

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Department store sales in all Canada rose 4.2% during the week ended June 18 as compared with the corresponding 1954 week.

EMPLOYMENT JUMP: Employment opportunities continued to increase more rapidly during June than in either of the past two years. As a result, the number of persons without jobs and seeking work again dropped sharply. It is estimated that the number seeking work fell by 56,000 from 213,000 to 157,000, its lowest point since November, 1953.

The number of persons with jobs increased 134,000 during the month ended June 18 as compared with 102,000 in the same period last year and 91,000 in 1953. At June 18, the number of persons with jobs was estimated to be 161,000 higher than at June, 1954 and some 102,000 above two years ago.

The number seeking work was some 29,000 lower than last year, but some 66,000 higher than two years earlier.

The construction, automotive and the forestry industries continued to dominate the upsurge in employment. However, information from 109 local labour market areas indicate that the employment expansion has become increasingly more general. 75 areas showing labour requirements and supply to be in approximate balance at July 1 this year as compared with 41 last year. The classification of the 109 local labour market areas at July 1, 1955, (last year's figure in brackets) was as follows in shortage 0 (1); in balance 75 (41); moderate surplus 34 (62); substantial surplus 0 (5).

The civilian labour force totalled 5,615,000 in the week ended June 18, 1955, compared with 5,537,000 in the week ended May 21, 1955

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HELICOPTER UNIT: A helicopter anti-submarine unit, first of its kind in the Royal Canadian Navy, is to be formed this month in the Atlantic Command of the RCN. Official ceremonies marking the formation of the unit will take place at HMCS Shearwater, the RCN Air Station at Dartmouth, N.S., on July 26.

The unit, designated HS-50, will operate six Sikorsky HO4S-3 helicopters. The aircraft are equipped with anti-submarine detection equipment and have been modified to Canadian naval specifications.

Formation of the unit underlines the increasing importance placed by the Navy in the helicopter as an anti-submarine weapon. The unit will work in close co-operation with surface ships and other aircraft in developing anti-submarine tactics.

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MINING REPORT: The Bureau released July 15 its annual report for 1953 under the title The Miscellaneous Metal Mining Industry, rounding off the series of annual mining industry reports for the year except for the General Review of the Mining Industry. This report presents statistics on Canadian production and consumption and other data on some 25 metals and metal-bearing ores.

ROYAL VISIT: Her Royal Highness, the Princess Royal, will arrive in Quebec City by the Empress of France on September 29. She will be accompanied by Miss Gwynedd Lloyd, Lady in Waiting, and Major Geoffrey Eastwood, Gentleman in Attendance.

During the stay in Canada, Her Royal Highness will be the guest of His Excellency the Governor General of Canada, the Right Honourable Vincent Massey, C.H., at the Citadel in Quebec City from the day of her arrival until October 2, and at Government House in Ottawa from October 9, until October 12.

Her Royal Highness has been invited by the Royal Canadian Corps of Signals to visit Kingston and participate in activities of the Corps during the period October 6 to October 9. She has been Colonel-in-Chief of the Corps since 1940. As she is also the Colonel-in-Chief of the Canadian Scottish Regiment, Her Royal Highness will be in Victoria as their guest from October 15 until October 20.

On the way to the Kingston and Victoria appointments Her Royal Highness will spend from October 2 until October 6 in Montreal; October 12 until October 14 in Toronto and Niagara Falls; and will make a visit of three days to Vancouver, from October 21 until October 23.

The Princess Royal will spend a night at Winnipeg on October 14, when flying from Toronto to Victoria. Her Royal Highness will fly from Vancouver to Montreal to sail on the Empress of France for the United Kingdom on October 25.

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RECORD AUTO SALES: Sales of new motor vehicles in May continued the sharp upswing of April to reach new peaks for a month both in number of vehicles sold and their retail value, according to the Bureau's monthly report. All told, 61,049 new vehicles were sold, up from 53,910 in April and 4,788 more than the previous record of 56,621 units in April 1953, while the retail value of sales climbed to \$159,987,000, over 11% above the previous record value of \$143,713,000 in April this year.

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BORDER CROSSINGS UP: Volume of highway traffic crossing the border between Canada and the United States during May this year was 16% greater than in May last year, totalling 1,412,900 vehicles compared with 1,218,000.

In the five months ending May the number of foreign vehicle entries increased to 2,466,479 from 2,306,416 last year, and returning Canadian vehicles to 2,184,968 from 1,947,174.

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Railway carloadings continued to rise in the third week of June, totalling 86,089 cars versus 76,014 in the same week last year.

ELECTRO-MECHANICAL FLIGHT TRAINER

A "FIRST" FOR CANADA: Another "first" for Canada in the field of aviation is a new kind of electro-mechanical flight trainer developed for the Department of Transport and put into service here this week, the Department of Transport announced July 7.

The first one of its type in the world, the dual control instrument flying trainer has captured interest both in this country and abroad as a prototype of what will likely become standard equipment, providing airline operators with a relatively inexpensive means of training pilots in airways procedures, basic instrument flying and emergency conditions.

Built in England to specifications of Department of Transport flight experts, the trainer has been designed for the general purpose of maintaining high standards of efficiency among the departmental pilots and flight inspectors. These fliers have to keep in the forefront of aviation progress since they must "check out" all civilian pilots in Canada. Pilots with the high "instrument rating" undergo testing every six months.

According to Mr. Wallace Larocque, officer in charge of Transport's simulated flight training, the equipment lends itself readily to modification so that new developments in flying procedures can be incorporated with use in the trainer. Mr. Larocque, who is the departmental official most closely involved in the design of the trainer, pointed out that it will enable him to assess pilot efficiency with an economy hitherto impossible.

"It takes about the same amount of power to operate the trainer as it does an ordinary electric household stove. Compare this to anywhere from \$45 to \$100 an hour that it costs to use a medium twin-engine aircraft and the savings soon mount up."

Outside the economy involved, "we can do things with the trainer by way of putting the pilot through emergency testing that we wouldn't dare hazard on an aircraft in flight," he added.

The trainer consists of two main units, the aircraft "cockpit" and a radio aids console. It is a twin-seat, multi-engined trainer housing two pilots and having the performance and general characteristics of a twin-engined aircraft. It is a development of the basic American Link trainer but incorporates completely new and improved systems. All normal flight and engine controls are provided whilst pitching and banking are reproduced by actual movement of the trainer upon its base.

Simulation of the yawing plane is realistically reproduced through instrument indication coupled with movement in bank. Engines can be run up and tested on the ground during pre-flight cockpit check and the trainer must be "taken off and landed". Instrument indications respond to power settings, air speed, aircraft altitude, altitude and rough air conditions and these together with variable loading effects on the flying controls give the trainer an extremely realistic feel.

Flight instruments that are fully operative include among others: air speed indicators, artificial horizons, altimeters, direction gyros, vertical speed indicators, flux gate compasses, turn and bank indicators, zero reader course selector, zero reader indicator, course deviation indicator, dual automatic direction finder, Omni bearing selector, offset course bearing indicator, distance measuring equipment, airways marker lights.

An infinite number of frequencies and call letters are available and the equipment is adjustable to any radio facility in any part of the world. Thousand-mile en route test flights are registered on a single chart.

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CANADA AND WHEAT: Supplies of wheat remaining on or about June 1 this year in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 1,785,300,000 bushels, about 1% less than the 1,802,700,000 available a year earlier, according to latest available estimates. This compares with an estimated 1,849,600,000 bushels at May 1 this year.

This year's June 1 supplies and year earlier totals (shown in brackets) were held as follows: United States, 1,001,800,000 bushels (921,300,000); Canada, 513,000,000 (628,200,000); Argentina, 137,600,000 (121,600,000); and Australia, 132,900,000 ((131,600,000).

HISTORIC "WEST BLOCK": In rebuilding the West Block, on Parliament Hill, the Government intends to preserve as much of the historic element of the structure as is possible, the Minister of Public Works, Mr. Winters, told the House of Commons on July 18.

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NEW PRINTING BUREAU: Including the cost of furnishings and landscaping, the cost of the new Government Printing Bureau in Hull, Que., now nearing completion, will be \$14,000,000, the Minister of Public Works, Mr. Winters, told the House of Commons this week. Movement of personnel and equipment will begin around October.



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WEEK'S EVENTS IN REVIEW

MAY VISIT MOSCOW: The Secretary of State for External Affairs, Mr. L. E. Pearson, informed the House of Commons on July 11 that he hoped to be able to visit Moscow this fall.

Mr. Pearson's statement followed brief discussion by the Leader of the Opposition, Mr. George Drew, and the Leader of the C.C.F. Party, Mr. M. J. Coldwell, of the statement from London by nine eminent scientists, including the late Albert Einstein, on the nuclear peril.

After Mr. Drew had asked whether Mr. Pearson had any comments to put before members of the House, Mr. Pearson said that the statement "draws attention once again in compelling terms to the fact that, if the perils of nuclear war are to be avoided, war itself must be avoided.

"This statement, it seems to me," he proceeded, "warrants the most careful examination and consideration. Perhaps it is particularly appropriate that this emphasis should be laid upon the relationship between nuclear dangers and the dangers of the possibility of war at a time when the four Big Powers, which include those which possess nuclear armaments, are about to meet in Geneva to examine the ways and means of reducing the possibilities of war.

"The Government and people of Canada will follow closely these deliberations, hoping earnestly for constructive accomplishments at this conference." . . .

Mr. Drew followed, saying in part:

"I was impressed, as I think most hon. members have been, with the statement of this comprehensive survey of the situation by the scientists who put it forward, that we have to learn to think in a new way.

"I do not think that anyone in this House has been more emphatic than I in his comments about the evils of Communism itself. I have sought to emphasize the fact that we have common ground in that the Russians as well as ourselves want to live. In the light of that simple reality it would seem to me that this is the time, when, without in any way lessening our feeling of repulsion for the doctrine of Communism, we might extend the context.

"I hope that, informal though the invitation may be, in the light of this statement now before us and the increasing evidence of an attempt to cross the iron curtain, physically as well as in thought, the Secretary of State might reconsider his decision; he might think that it would be advisable to visit Moscow, mainly because we are above any distrust from the point of view of aggression and, secondly, because we are one of the important nations in the development of atomic energy, for peace mainly but also as a potential for war.

"Whatever may have been said before, it seems to me most advisable that discussions should be opened which would be in no way

suspect and which might well have broad consequences of immense importance for the whole world."

Mr. M. J. Coldwell, C.C.F. Leader, in brief following comment, agreed with Mr. Drew that Mr. Pearson should go to Moscow.

Mr. Pearson then replied:

"Mr. Speaker, in view of the fact that mention has been made of the invitation which was extended to me in San Francisco by Mr. Molotov to visit Moscow, I should say that I informed him that a visit this summer would not be possible. Since my return to Ottawa I have informed the Soviet Government through their Ambassador that I hope that possibly in the autumn, if a time satisfactory to both Governments can be worked out, I may be able to make such a visit, and we are in touch with the Soviet Government to that end."

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INDO CHINA APPOINTMENTS: Key appointments for the Military Components, Canadian Delegation in Indo China, were announced July 8 at Army Headquarters.

Brigadier Michael S. Dunn, CBE, ED, 50, now Commander Eastern Ontario Area, will take over as Military Advisor to the Canadian Commissioner in Viet Nam, succeeding Acting Major-General W.J. Megill, DSO, CD, formerly of Ottawa.

Colonel H.E.T. Doucet, OBE, ED, 47, now Chief of Staff HQ Eastern Command (Halifax), has been named Military Advisor to the Canadian Commissioner in Cambodia, succeeding Acting Major-General T.E.D.O. Snow, CBE, CE, of Ottawa.

Colonel F. Le P.T. Clifford, CBE, CD, 41, now Director of Army Personnel at Army Headquarters, has been named Military Advisor to the Canadian Commissioner in Laos, succeeding Acting Major-General R.E.A. Morton, DSO, CD, of Toronto and Winnipeg.

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DEFENCE PRODUCTION ACT: After a debate lasting 10 days, during which the Progressive Conservative Opposition delivered 73 speeches against the measure as originally proposed, an amended bill to extend the Defence Production Act, due to expire July 31, 1956, was finally put through all stages in the House of Commons on July 11.

The Prime Minister's announcement that the Government was prepared to place a three-year time limit on the special powers in the Defence Production Act brought a quick end to the Parliamentary engagement. The Progressive Conservatives had opposed granting indefinite life to all the powers.

The Prime Minister and Opposition Leader George Drew made it clear that agreement had been worked out in consultation at the weekend.

"This is Parliament at its very best," Mr. Drew commented.

THE WHOOPING CRANE: A new chapter in the whooping crane's fight for survival is being written in an inaccessible part of the 17,300 square miles of Wood Buffalo National Park in the Northwest Territories. Wildlife Officers of the Department of Northern Affairs and National Resources and representatives of the U.S. Fish and Wildlife Service and the National Audubon Society are now in the area where a number of these rare birds have been sighted setting up house-keeping. They will remain there observing the results of the cranes nesting and taking measures to ensure that the rare birds are undisturbed.

The discovery that whooping cranes, of which the total known population is only 21, nest in Wood Buffalo National Park was made in July 1954 when six, including one flightless young were reported seen in the reserve containing Canada's largest buffalo herd. Since that time the precise location of the cranes' nesting site has been a well guarded secret.

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JOINT CANADA-U.S. CD MEETING: Thirteen top civil defence authorities from the United States, headed by Governor Val Peterson, of Washington, D.C., Federal Civil Defence Administrator for the United States, met with Canadian civil defence officials in Ottawa, July 8, to discuss mutual civil defence problems.

The Minister of National Health and Welfare, Mr. Paul Martin, headed the Canadian committee meeting with the Americans. The meeting was the fourth of the U.S.-Canada Joint Civil Defence Committee.

The U.S.-Canada Committee was established in 1951 to insure that civil defence activities in both nations were co-ordinated for the best possible protection of persons and property from enemy attack.

There are ten executive members of the committee with Governor Peterson chairman of the United States section and Mr. Martin chairman of the Canadian counterpart.

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SCHOLARSHIPS: The Department of External Affairs announced on June 29 that the two scholarships offered to the Canadian Government by the Federal Republic of Germany for the academic year 1955-56 have been won by Mr. John E. Coobie and Mr. Otto Siebenmann, both of Toronto.

The successful candidates were selected by the Awards Committee of the Royal Society of Canada in collaboration with the Embassy of the Federal Republic of Germany. Each scholarship is valued at three thousand Deutsche mark (about \$700 Canadian) and includes free tuition and free transportation to and from the place of study and the German border.

MR. MARTIN ON HEMISPHERE SOLIDARITY

PEACE THROUGH STRENGTH: "One of the important objectives of Canadian foreign policy is to strengthen and extend the bonds of friendship between our own country and other nations of the Western Hemisphere with whom we share so many mutual interests," the Minister of National Health and Welfare, Mr. Paul Martin, said in addressing the Seventh Annual Conference on American Foreign Policy at Colgate University, Hamilton, N.Y., on July 11.

Seated on the platform with Mr. Martin were His Excellency, Senor Dr. José A. Mora, Chairman of the Council of the Organization of American States; the Hon. Henry F. Holland, the United States Assistant Secretary of State for Inter-American Affairs; and the Hon. E.L. Bartlett, United States Congressman from Alaska.

Noting that the presence of representatives from Alaska to Uruguay was indicative of hemispheric solidarity, Mr. Martin said that did not imply that the countries of the Americas could "form a self sufficient means of defence against the perils of the thermonuclear war," nor did it "envise a system of security built up in isolation from the rest of the world."

COMMUNITY OF IDEALS

"Hemispheric solidarity, in a practical and positive sense," he added, "is the extension of the ideal expressed so memorably by the late President Roosevelt in his first inaugural address when he dedicated this nation to the policy of the good neighbour. Solidarity, as I see it, is not a dull and inflexible conformity but a constructive and dynamic unity in outlook and objectives -- a community of interests and ideals to which free nations may freely subscribe." . . .

"In a century of neighbourly visiting over the 4,000 miles of back fence that is our international boundary, Canadians have had an unique opportunity to assess the great benefits that flow from friendly relations with our powerful and peace-loving neighbour, the United States. And because our two peoples have followed the way of cooperation for so many years our good relations are frequently taken for granted. This, it seems to me, is an unwarranted assumption since friendly relations between countries, as between individuals, do not just happen; they must be built up and kept in good repair."

Touching on Canada's relations with Latin America, Mr. Martin said, in part:

"Geographically, of course, Canada is closer to Europe than to many of our Latin American friends but good neighbourhood has a way of overcoming the barriers of distance.

As a result, our political and commercial relations with Latin-American countries, always cordial, have become much closer in recent years. As recently as 1939, Canada did not have a single diplomatic mission anywhere south of the Rio Grande. Today, there are Canadian diplomatic representatives in no less than eleven Latin American countries. Nothing could indicate more tellingly the increasing importance we attach to our relations with the republics of Latin America."

Then he went on to note the trade growth between Canada and Latin America, the increase in Canadian investment in that field, and the associations through the work of the United Nations, from which had sprung recognition "that we share with one another the same general aspirations for a world in which restrictions in the cultural, political and economic fields will become the exception rather than the rule."

He proceeded:

WORLD SECURITY

"But the hemispheric solidarity we all seek must be forged in realistic awareness of the knowledge that at any time, either through evil design or by miscalculation, the horrors of nuclear warfare may be unleashed upon mankind. Our best hope of preventing that fearful event is to keep the united strength of the free world so overwhelmingly powerful that no nation will dare risk the chance of retaliatory destruction which an attack against us would instantly bring. Thus, the only real defence of the Americas that can maintain the solidarity of which I have spoken, is an effective system of world security.

To this end, Canada is pursuing a two-fold policy: (1) We are contributing to the extent of our resources to the massive system of collective security which the free world is building in NATO; (2) In cooperation with the United States we are developing effective measures for continental defence."

After outlining Canada-U.S. defence measures, he added:

"It is altogether unlikely that we will be able to afford in the foreseeable future to abandon our policy of making more secure the strength and unity of the free world on the assumption that the Communist nations are prepared to enter whole-heartedly into the peaceful and friendly family of nations. At the same time we must be ready to seize upon every genuine opportunity to relax international tension and to resolve the differences that have held the world in the icy grip of the cold war." . . .

GENEVA CONFERENCE: Arrangements are being made to ensure that the Government will be adequately informed as to proceedings at the Geneva Conference, the Secretary of State for External Affairs, Mr. L.V. Pearson, said in the House of Commons on June 30, in answer to questions by Mr. Donald M. Fleming (PC - Eglinton).

The following were the questions and answers on the subject:

Mr. Fleming: In view of the approaching conference at the summit at Geneva, opening on July 18, may I ask the Secretary of State for External Affairs whether Canada is to have any observer at or in the vicinity of the conference? If not, what arrangements have been made to keep Canada in contact with discussions there so far as that is to be done?

Mr. Pearson: Arrangements are being made to ensure that we shall be adequately informed as to what goes on at that conference. We have a representative in Geneva, and it may be desirable to send someone else to assist him in reporting on this conference.

Mr. Fleming: Has the Minister himself any intention of being over there at the time?

Mr. Pearson: No, I do not expect to be in Geneva during this conference at the summit.

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RCAF GIRLS SEEING EUROPE: Canadian airwomen serving at the RCAF's Air Division Headquarters are making the most of their opportunities for foreign travel, according to Air Force authorities at Metz, France. The girls, most of whom would not have seen Europe had they not joined the RCAF, are doing a lot of sightseeing during their free time.

For a group of girls whose average age is only 22, the nonchalance with which they take weekend jaunts around Germany, France and other parts of Europe is amazing. Visiting friends at the four Canadian Fighter Wings is also a favourite pastime. And when a Canadian holiday makes for an extended 48 hours' leave, groups of Airwomen go on organized informal tours of Switzerland, England or Austria.

Longer trips to Italy, Holland or the Scandinavian countries are usually made during annual leave.

Of all the countries visited in Europe, the airwomen seem to favour Switzerland or Holland. The Netherlands is also a favourite, probably because of the warm friendship existing between the Dutch and Canadian people.

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MORE ARMS FOR NATO: Canadian artillery equipment and military trucks will be shipped to three NAIO countries in mid-July under Canada's programme of mutual aid to members of the North Atlantic Treaty Organization.

The shipments include artillery equipment for Turkey and trucks for Portugal and Italy. The supplies will be shipped from the ports of Hamilton, Ont. and Halifax, N.S.

AUTO PRODUCTION JUMP: Canada's automobile factories turned out 44,173 passenger cars and 11,785 commercial vehicles in June, a sharp increase over last year's reduced June output of 24,349 passenger cars and 5,910 commercial vehicles, according to preliminary figures published by the DSS.

For passenger cars it was the fourth increase over a year earlier in as many months; for commercial vehicles it was the third consecutive increase.

In the first half of 1955 a total of 231,544 passenger cars and 49,068 commercial vehicles rolled off Canadian assembly lines as compared with 196,994 passenger cars and 48,874 commercial vehicles in the January-June period of 1954.

Compared with the peak output in the first half of 1953, some 25,142 more passenger cars and 28,128 fewer commercial vehicles were produced in the January-June period this year.

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CANSO CAUSEWAY: A claymore reputedly used by one of Bonnie Prince Charlie's followers at the Battle of Culloden in 1746 will cut the Nova Scotia tartan ribbon at the official opening of the Strait of Canso Causeway, Saturday, August 13, the Minister of the Department of Transport has announced. Final arrangements for the event have just been completed by a special committee involving Federal, Provincial and Canadian National Railways representatives.

The colourful opening of the \$20,000,000 world's deepest Causeway which links Cape Breton Island to the Nova Scotian mainland and brings to reality a dream of more than half a century will highlight in its details the Scottish Highland tradition of the Province, Mr. Marler declared.

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CHEMICALS INDUSTRY RISE: Canada's chemical and allied industries set another new high production record in 1954 when the factory value of shipments grossed \$921,100,000, up 4.5% from the previous peak of \$881,500,000 in 1953. This increase was a continuation of the upward trend which has been a feature of this group of industries during the post-war period.

The output value for chemicals and allied products has more than doubled during the post-war period and is more than five times the value recorded for the best pre-war year. Production value was \$160,000,000 in 1939 and \$376,000,000 in 1946.

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The Church of the Sacred Heart, located at Fort St. Louis near Werl, Germany, was dedicated July 3 by Colonel C.E. Beaupre, Director of Roman Catholic Chaplain Services for the Canadian Army. It was the last of four new Roman Catholic chapels for the 1st Canadian Infantry Brigade to be dedicated.

CITIZENSHIP CERTIFICATES GRANTED TO 19,545 IN 1954

INCREASE OVER 1953: Last year certificates of Canadian citizenship were granted to 19,545 persons who formerly owed allegiance to other countries, two-fifths more than in 1953, when certificates were granted to 13,562, the DBS reports. Almost 20% or 3,568 of the 1954 total were formerly subjects of other British Commonwealth countries as compared with 3,451 or over 25% of the 1953 total.

The number who formerly owed allegiance to the United States decreased to 570 in 1954 from 640 in 1953, but the number who were formerly subjects of European countries increased to 10,348 from 6,681. Of the latter, 3,303 as against 2,328 in 1953 were from Poland. The number of Chinese dropped to 1,425 from 2,044 in 1953.

STATELESS PERSONS

There was a sharp increase in the number reporting themselves as having no country of allegiance at the time of applying for Canadian citizenship. These stateless persons numbered 3,434 in 1954 as against 524 in 1953. About one-half of these had been born in Poland, and the remainder in Russia, Czechoslovakia, Yugoslavia, Roumania or Hungary.

Of the 1954 total 55% were residents of Ontario, 16% residents of the Prairie Provinces, 14% lived in British Columbia, 13% in Quebec and 2% in the Atlantic Provinces. Of the 1953 total 47% lived in Ontario, 17% in British Columbia, 17% in the Prairie Provinces, 16% in Quebec and 3% in the Atlantic Provinces. More than 84% of the 1954 total lived in urban areas as compared with about 83% in 1953.

Three out of every five becoming Canadian citizens in 1954 were males, about the same proportion as in 1953. Of the total estimated population in Canada in June last year 51% were males. The age group from 25 to 64

accounted for 81% of the new citizens in 1954 as compared with only 46% of the total population. Two-thirds of the males and three-quarters of the females granted citizenship in 1954 were married and 70% of the married males and 53% of the married females had spouses owing allegiance to some other country.

Over 85% of the males and about 27% of the females granted citizenship were in the labour force. Over 60% of the females were homemakers. About 28% of the males in the labour force were in manufacturing and mechanical occupations while about 10% were engaged in proprietary and managerial occupations, and the same proportion in professional, service, agricultural and construction occupations, and as labourers in other than the primary industries. The females in the labour force were employed mainly in manufacturing clerical, service and professional occupations.

ARRIVAL PATTERN

About one-fifth of those naturalized during 1954 had arrived in Canada before 1941. Some 72% had arrived in Canada in the years 1946-1950 and 5% since 1950. The pattern of period of arrival from the countries of former allegiance varied a great deal. While only 6.4% of the total number naturalized came to Canada before 1921, nearly 30% of the former citizens of the United States had arrived in that period and 38.7% of the former citizens of China.

Over 90% of the persons from British Commonwealth countries, Latvia, Lithuania, as well as those reported as stateless, had immigrated in the years 1946-1950. Two-fifths of the Chinese (mainly minor children) and 15% of the Germans had come to Canada since 1950 as compared with only 5% for all countries of former allegiance.

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STOCKS STRONG: Common stock prices again moved strongly as the Bureau's investors' index advanced from 226.7 to 240.8 between the weeks of May 26 and June 23 for a gain of 6.2%. Among the major groups the index for 77 industrials advanced from 233.1 to 248.5 for a gain of 6.6%, while the index for 14 utilities increased 5.1% to 205.1 from 195.2, and 7 banks 4.9% to 246.0 from 234.6.

All sub-groups moved up, led by substantial advances in milling, machinery and equipment, oils, industrial mines and building materials. The composite index for 27 mining stocks advanced 7.6% from 114.8 to 123.5. Both sub-group indexes shared in the advance, as 5 base metals changed from 212.0 to 230.1 and 22 golds from 72.4 to 77.0.

IRON ORE JUMP: Shipments of Canadian iron ore in May totalled 1,474,369 tons, up nearly 167% over the shipments of 552,589 tons in May last year, DBS reports. The month's sharp rise brought cumulative shipments - previously lagging behind 1954 - to 1,960,085 tons as against 1,101,873 tons for the first five months last year. Total stocks at the end of May were also above a year earlier at 2,093,-915 compared to 1,843,352 tons.

The gain in May shipments was in ore for export, which rose to 1,393,998 tons from 420,337 last year, bringing the five-month total to 1,743,033 from 802,313 tons. Ore shipped to Canadian consumers was down in the month to 80,371 from 132,252 tons and in the five months to 217,052 from 299,560 tons.

SENATE REFORM: By a vote of 95 to 62, the House of Commons on July 12 defeated a Progressive Conservative proposal that the Government take steps to reform the Senate. All Opposition groups supported the motion; all Liberal members opposed it.

The proposal read:

"The Government should give consideration to initiating the necessary consultation and inquiry respecting reform of the Senate, including such matters as the method by which the members of the Senate should be chosen, so that all appropriate steps may be taken in order that the Senate may more effectively discharge the constitutional function it was intended to serve as an integral part of our parliamentary system."

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PROVINCIAL DEBT: Net direct and indirect debt of Canada's ten provincial governments totalled \$3,644,691,000 or \$240.13 per capita at the end of March last year, the DBS reports. This is an increase of \$271,925,000 or \$1.56 per capita over a year earlier, when the total stood at \$3,372,766,000 or \$238.57 per capita.

In aggregate, both net direct and net indirect debt of the provinces increased in the 1953-54 fiscal year. Net direct debt (less sinking funds) totalled \$2,412,942,000 or \$158.98 per capita on March 31, 1954, as compared with \$2,280,642,000 or \$154.56 per capita on March 31, 1953. Net indirect debt (less sinking funds) totalled \$1,231,749,000 or \$81.15 per capita as against \$1,092,124,000 or \$74.01 per capita a year earlier.

Total net direct and indirect debt per capita increased in six and decreased in four provinces last year. The largest reduction was \$6.70 to \$99.22 in Alberta, which again showed the lowest per capita figure of any province. The largest increase was \$28.21 to \$347.81 in Ontario, which replaced New Brunswick as the province with the highest per capita figure.

New Brunswick's per capita total decreased by \$5.97 to \$332.07 in the 12-month period, and there were reductions of \$4.68 (to \$187.23) in Manitoba and \$2.58 (to \$166.90) in Prince Edward Island. There were increases of \$7.40 (to \$165.67) in Quebec, \$6.85 (to \$221.18) in British Columbia, \$6.80 (to \$209.52) in Saskatchewan, \$3.72 (to \$282.81) in Nova Scotia and \$2.44 (to \$128.44) in Newfoundland.

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NATIONAL GALLERY APPOINTMENTS: The trustees of the National Gallery of Canada have announced the appointments of Mr. Donald W. Buchanan, of Lethbridge, Alta., as Associate Director, in charge of special projects, and Mr. Jean Rene Ostiguy as the Gallery's Information Officer.

CONSTRUCTION PEAK: Canada's construction industry is expected to pass the \$5 billion mark for the first time this year, according to estimates published by the DBS. The estimates, based on January intentions, place the total value of construction to be put in place in Canada in 1955 at a record \$5,059,000,000, some \$369,000,000 or almost 8% more than in 1954.

Physical volume of construction is expected to show a similar percentage increase over last year as little change is anticipated in material and labour prices. Almost all of the increase in value and volume is expected to be in new construction, the amount spent on repair construction being expected to show only a slight advance over 1954. Contractors are expected to undertake a larger share of the total construction: 75% this year as compared with 73% in 1954, 72% in 1953 and 68% in 1952.

The value of new construction is estimated at \$4,063,000,000 for 1955, up from \$3,696,000,000 in 1954, and the value of repair construction at \$96,000,000 versus \$94,000,000. New construction undertaken by contractors is estimated at \$3,413,000,000 as against \$3,032,000,000 last year, and repair construction at \$379,000,000 as compared with \$385,000,000 in the preceding year. The larger share of repair construction is undertaken by firms or persons not primarily engaged in construction work.

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INDUSTRIAL PRODUCTION UP: Reflecting a continuation of the rising trend of output of recent months, Canada's composite index of industrial production for April, according to preliminary figures, stood at 258.4, or 6.6% above the April 1954 index of 242.4.

The manufacturing component of the index rose by 5.5% from 253.5 to 267.4 and the index of mineral output advanced 11.5% from 182.9 to 203.9. The sub-index measuring production of electricity and gas registered 288.8, 10% higher than a year earlier.

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LABOUR INCOME UP: Canada's workers earned an estimated \$97,000,000 in March, \$1,000,000 more than in February and \$47,000,000 or nearly 5% more than in March last year, the DBS reports. This brought total labour income in the first quarter of 1955 to \$2,984,000,000, some \$129,000,000 or 4.5% more than in the January-March period of 1954.

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FARM WAGES: Annual wages of male farm help as at mid-year this year averaged lower than in 1954, according to the DBS. With board provided average annual wages worked out at \$1,015 versus \$1,065 in 1954 and without board at \$1,460 versus \$1,475.



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WEEK'S EVENTS IN REVIEW

AID FOR REFUGEES: The Department of External Affairs announced July 5 that, subject to the approval of Parliament, the Canadian Government would make the following grants this year to international programmes for assistance to European refugees:

(a) \$125,000 to the United Nations Refugee Fund for the first year of a new four-year programme administered by the High Commissioner for Refugees.

(b) \$50,000 to the Intergovernmental Committee for European Migration for the continued movement of European refugees from China.

The grant to the United Nations Refugee Fund is in response to an appeal from the U.N. Negotiating Committee for extra budgetary funds on behalf of the 1955-58 programme proposed by the High Commissioner for Refugees and approved in principle by the General Assembly last November.

This programme is designed to achieve permanent solutions to the problems of refugees under the High Commissioner's mandate, and also provides for continued emergency aid to extreme hardship cases. Early this year the Negotiating Committee approved a provisional target figure for the four-year period of \$16,000,000, and a firm target figure of \$4.2 million for 1955.

The latest grant would bring the total of Canadian Government contributions to the

United Nations Refugee Fund during the past three years to \$275,000. In this connection it will be recalled that prior to the establishment of the United Nations Refugee Fund Canada contributed over \$18,000,000 to the work of the International Refugee Organization while it was active between 1948 and 1952.

The grant to the Intergovernmental Committee for European Migration is in response to an appeal for contributions from member governments to make up an estimated shortage of funds for the continuation in 1955 of the Committee's programme for the movement of European refugees from the mainland of China to countries of re-settlement. ICM has moved 5,687 of these refugees during the past three years, mainly with money from a trust fund established by the IRO prior to its dissolution.

It will be recalled that the Canadian Government made a similar contribution of \$50,000 to this programme in 1954.

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DOMINION DAY: Following usual custom when the House of Commons sits on Dominion Day, the anniversary of Canadian Confederation, members of all parties on July 1 stood and sang together "O Canada" and "God Save the Queen." It was the 88th anniversary of Confederation.

CANADA-SPAIN TRADE PACT: Instruments ratifying the Canada-Spain Trade Agreement were exchanged in Ottawa June 30 by the Spanish Ambassador, His Excellency Mariano de Yturralde y Orbegoso, and the Secretary of State for External Affairs, Mr. L. B. Pearson.

The Agreement, which was signed last year in Madrid and ratified a few weeks ago, provides for the exchange of most-favoured-nation treatment with respect to customs duties and related matters. Both countries have undertaken not to impose discriminatory import or exchange restrictions, except for balance-of-payments reasons. Any such restrictions must not discriminate between dollar countries.

As part of the agreement the Spanish Government has undertaken to make available import licences and dollar exchange for minimum annual imports from dollar countries of two thousand metric tons of dried salted codfish. This arrangement will improve and stabilize sales in Canada's traditional market in Spain.

Among the tariff concessions accorded Spain by Canada is the binding of free entry of olives which were formerly subject to a duty of 17½ per cent ad valorem. Canada has also agreed to reduce the duty on dutiable olive oil from 7½ per cent to 5 per cent to eliminate the one cent per pound duty on almonds, and the duty on paprika.

These tariff concessions, with the exception of the free rate on paprika, became effective July 1 of last year. The new rate on paprika became effective June 14, 1955.

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PETROLEUM RECORD: Canadian production of crude petroleum in the first quarter of this year topped all previous records, rising to 28,596,438 barrels from last year's corresponding total of 21,824,064. In March the output rose to 9,531,995 barrels from 6,192,964 a year earlier, in February to 9,108,367 from 7,616,939, and in January to 9,956,076 from 8,014,161.

Alberta's first-quarter output rose to 25,676,540 barrels from 20,283,000, Saskatchewan's to 1,970,438 from 980,138, Manitoba's to 832,230 from 359,260, and Ontario's to 110,132 from 94,024.

Natural gas production also reached a new high in the quarter, amounting to 44,159,963,000 cubic feet versus 38,311,368,000 a year ago.

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CANADA AT ILO: Mr. Arthur H. Brown, Deputy Minister of Labour, Canada, was elected Chairman of the 40-member Governing Body of the International Labour Organization at the meeting of the Governing Body held in Geneva, Switzerland, on June 24.

CANADA AT WMO: What is believed to be a new record for the number of nations represented at a United Nations Organization was established at the recently held World Meteorological Organization (WMO) Congress at Geneva, Switzerland, according to Mr. Andrew Thomson, Controller of Meteorological Services of the Department of Transport, chief Canadian representative at the meeting and who remains as regional president for North and Central America.

Mr. Thomson reported that 77 nations were represented by some 250 delegates and that there was a close feeling of co-operation throughout the month-long meetings. He said that all countries were well represented, including the Soviet block, and all made valuable contributions.

Of prime importance in the many decisions reached at the Congress was the adoption of a standard book of regulations respecting meteorology, and adoption in principle of the metric system as a common system of meteorological unit.

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EMPLOYMENT UP: Employment in the major non-agricultural industries at the beginning of April showed slight improvement from March 1, reversing the trend in evidence since last October.

The general change at April 1 is usually small, and in most years has taken a downward direction, as in 1954. On the 1949 base, the latest index, at 105.8, was fractionally above its position 12 months ago, but was lower than at April 1 in 1953 and 1952. With these exceptions, it was the highest on record for the early spring.

The slight rise as compared with a month earlier took place among women, there being a minor decline in employment among male workers.

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MR. LOUW'S VISIT: The Department of External Affairs announced June 27 that the Honourable Eric H. Louw, Minister of External Affairs and of Finance of the Union of South Africa, would arrive in Montreal by air from New York on Sunday, July 3, at 10:55 a.m. and proceed directly by plane to Ottawa, where he would be the guest of the Canadian Government until Tuesday morning July 5.

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Corporation profits before taxes increased nearly 6% in the first quarter this year to \$570,000,000 from \$540,000,000 in the first three months of 1954. With the proportion taken by income taxes reduced to 46.4% from 48.3%, profits after taxes increased more than 9% to \$305,000,000 from \$279,000,000.

FOREIGN INVESTMENT: For the first time in the post-war period, the net movement of foreign direct investment capital into Canada was smaller in 1954 than in the previous year. However, it was still substantially larger than in the years before 1953.

Last year's total net inflow for direct investment amounted to \$376,000,000, down \$50,000,000 or about 12% compared to 1953. United States capital accounted for \$291,000,000 or slightly over three-fourths of the total as against \$346,000,000 in 1953. Inflows from the United Kingdom rose \$18,000,000 to \$63,000,000, while the movement from other overseas countries fell to \$22,000,000 from \$35,000,000.

Financing of the petroleum industry in Canada led to record capital inflows from the United States of \$207,000,000, up from the 1953 high of \$158,000,000, bringing the gross inflow for this purpose since 1945 to \$827,000,000. The inflow for investment in the pulp and paper industry also rose to \$23,000,000 from \$1,000,000. On the other hand, inflows for mining fell to \$61,000,000 from \$103,000,000 - the first decline of post-war years, and gross inflows for all other direct investments dropped to \$55,000,000 from \$110,000,000.

CAPITAL OUTFLOWS

Partly offsetting the gross capital inflow from the United States, which totalled \$346,000,000, were capital outflows of \$55,000,000 representing the return of capital arising both from normal repayments and from such other sources as the raising of funded debt in Canada and the sale of enterprises or of minority interests in them to Canadians.

Other capital movements are estimated to have added an additional \$38,000,000 to United States investment in controlled enterprises, while the retention of profits and all other factors are tentatively estimated to have added \$191,000,000.

The growth in book value of United States direct investment in Canada is thus placed at \$520,000,000 in 1954, bringing the aggregate value of such investment at the year end to \$5,700,000,000.

With an increase of 40% over 1953, direct investment capital from the United Kingdom at \$63,000,000 last year represented about 17% of the net movement from all countries. The areas of British investment were in distinct contrast to those of United States capital. Net inflows to manufacturing industries represented over 60% of the United Kingdom total as compared to less than 15% of the United States total, while the mining sector (including petroleum exploration and development) received about 80% of the United States flow and less than 10% of the net movement from the United Kingdom.

All of the \$22,000,000 of direct investment capital from other overseas countries came from European countries. While down from 1953, it was much larger than in earlier years. About one-half was for manufacturing industries and one-quarter each for mining and for other enterprises.

In contrast with the drop in foreign direct investment in Canada, the net outflow of capital from Canada for direct investment in Canadian enterprises abroad increased in 1954 over 1953, totalling \$74,000,000 as against \$63,000,000 and exceeded only by the 1952 record total of \$77,000,000.

The United States was the principal area of Canadian direct investment, accounting for \$44,000,000 against \$33,000,000 in 1953. Transfers to the United Kingdom aggregated \$16,000,000, up sharply from \$5,000,000, but covered the acquisition of some assets in other parts of the world. Outflows to other overseas countries at \$14,000,000 were down considerably from \$25,000,000 in 1953, mainly due to completion of some expansion programmes.

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FLIGHTS TO INDO CHINA: North Star aircraft from the RCAF's No. 426 Squadron will resume flights to Indo China early in July, in support of personnel changes of the Indo China Truce Commission, it was announced June 28 by Air Force Headquarters.

The operation, scheduled to end early in October, will include five roundtrip flights airlifting passengers and freight both ways. Each aircraft will carry a crew of seven and 25 to 27 members of the truce team.

Flights will be routed from Montreal to Saigon in Indo China, through Gander, the Azores, Gibraltar, Malta, Cyprus, Iraq, Karachi, and Calcutta. The same route will be followed on the return journey.

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MIGRATION OF ESKIMOS: One of the tasks of the Arctic Patrol vessel, "C.D. Howe", this season will be the moving farther north of seven Eskimo families from the Port Harrison area on the east coast of Hudson Bay and from Baffin Island.

It will be a purely voluntary migration, the continuation of a policy started two years ago by the Department of Northern Affairs and National Resources. Under this scheme Eskimos are moved from poor hunting areas to regions where game supplies and other necessities of Arctic life are more readily available.

The programme has been an unqualified success, and the Eskimos have been enthusiastic about their new homes. Although they are free to return if they wish, the response so far has been to urge their friends and relatives from the "south" to join them.

RISE IN IMPORTS FROM US: Final, detailed figures on Canada's commodity imports in April, released June 30 by the DBS, show that the gain over a year earlier was widely spread among the commodities and the chief gain among countries was in larger purchases from the United States.

Value of imports in April was \$382,600,000, up 9.8% from \$348,500,000 a year earlier. Average import prices were slightly higher than in April last year, and volume rose more than 9%. In the four months, January - April, the value of imports climbed 7.8% to \$1,373,-300,000 from \$1,274,300,000.

Purchases from the United States increased to \$284,784,000 in April from \$255,737,000 a year earlier, raising the four-month total to \$1,030,458,000 from \$945,818,000. Gains were shown in all main commodity groups both in April and the cumulative period, with the largest increase in iron and products.

IMPORTS FROM U.K.

Imports from the United Kingdom in April fell to \$33,818,000 from \$35,289,000 a year ago, and in the four months to \$119,251,000 from \$123,508,000. Most of the decrease occurred in the iron and products group. Imports from the rest of the Commonwealth rose in April to \$18,220,000 from \$14,799,000 and in the four months to \$53,808,000 from \$43,708,000. Purchases were larger in both periods from India, Ceylon, Malaya and Singapore and Australia.

Imports from Latin America in April moved up in value to \$23,682,000 from \$21,449,000 a year ago, but were little changed in the four months at \$91,901,000 versus \$91,670,000.

Purchases from European countries were virtually unchanged, amounting to \$15,464,000 in April versus \$15,474,000 a year ago and to \$47,716,000 in the four months versus \$47,-426,000.

Boosted mainly by larger purchases from Japan and the Netherlands Antilles, imports from the remaining group of foreign countries rose in April to \$6,087,000 from \$4,510,000 and in the four months to \$28,265,000 from \$19,055,000.

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AID FOR FISHERMEN: Recognizing the problems of salt fish producers in meeting rising costs while selling in the low income markets the Minister of Fisheries, Mr. James Sinclair, on June 23 announced that the Government would in 1955 pay a rebate on 50 per cent of the cost of salt directly to fishermen and others purchasing and using salt in the production of salted cod, haddock, pollock, and hake and cusk.

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Canada's chemical and allied industries shipped a record \$921,100,000 worth of products last year, 4.5% more than in 1953.

NORWAY EMBASSY: The Department of External Affairs announced June 30 that the Governments of Norway and Canada have agreed to raise the status of their respective diplomatic missions to that of Embassy.

The Norwegian Legation in Ottawa is at present under the direction of Mr. Sven N. Oftedal, Chargé d'Affaires ad interim, and the new Ambassador will be Mr. Arne Gunneng, who will arrive in Ottawa to take up his duties early in September.

As the Acting Permanent Representative of Norway to the North Atlantic Council, Mr. Gunneng was in Canada in late May during the visit which the North Atlantic Council Permanent Representatives made to the Air Defence Command at St. Hubert, P.Q., and the Montreal area.

The present Canadian Minister to Norway, Mr. Chester A. Ronning, will be Canada's first Ambassador to that country.

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SOEST SOLDIERS' CLUB: The Canadian Army's most modern soldiers' club was opened at Soest, Germany, July 3, by Lt.-Gen. G.G. Simonds, Chief of the General Staff.

During opening ceremonies, Lt.-Gen. Simonds spoke of the good relations existing between Germans and Canadians and stated that every soldier welcomes the opportunity to be host rather than always the guest. The new club will give soldiers that opportunity.

Herr Runte, Mayor of this oldest German market town, earlier said, "I hope that the opening of this club may further improve the existing excellent relations between Canadians and Germans".

The beautifully appointed club is situated in the midst of ancient buildings and in the shadow of a 900-year-old church. The exterior, although of modern architecture, is designed to blend in with surrounding structures.

* * * *

PRairie CROP REPORT: Warm, dry weather prevailed quite generally over the Prairie Provinces during the last half of June, the DBS says in a crop report on the Prairie Provinces. Moisture supplies were being rapidly depleted in some areas, particularly in western and northern regions of Saskatchewan and in east-central Alberta and the Peace River area. Rain was needed in these districts to maintain existing conditions. Elsewhere, with the exception of local areas where flooding was serious, grain crops are making generally excellent progress. Haying was getting under way in most regions with prospects excellent in Manitoba, mostly good in Saskatchewan, but only fair in many parts of Alberta.

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There are more than 5,500 miles of undefended border between Canada and the United States.

FAMILY ALLOWANCES MILESTONE OF ACHIEVEMENT

5 MILLION BENEFICIARIES: Canadians have traditionally worked to achieve for their children a better and happier way of life and on July 2 the Minister of National Health and Welfare, Mr. Paul Martin, heralding the 10th anniversary of the Canadian Family Allowances Act, declared that the Act had been a milestone on the road to that achievement.

With the passing of the Family Allowances Act in 1944, Canadian parents with children under 16 years of age became eligible for monthly payments ranging from five dollars to eight dollars a month for each child. The basic purpose of the Act was to help correct social inequalities. Canadians were determined that their children would be protected from any future post-war depression.

The Act, it was intended, would help parents to bear the cost of maintaining children, and as an economic measure, it would eventually act as a stimulus to consumer spending, help maintain employment, and aid the local economy of less highly industrialized provinces. Over the past ten years, the Family Allowances Act has achieved many of its purposes.

LEGISLATION

The main points of the legislation provided for (1) payment of a fixed sum monthly according to the age of the child up to 16 years. (2) payment to a parent who actually maintains the child. (3) assurance that the child must attend school and must not be employed if under 16. (4) social agencies of any person having the care and custody of the child to be considered as a parent under the Act.

The first cheques across Canada were mailed out on July 17, 1945. By April 18, 1945, Canada reached the half-way mark for registration -- 740,000 applications -- and this number was increased by 56,570 in the fiscal year

1947-48. As of May, 1955, family allowance cheques were being distributed monthly on behalf of 5,203,290 children in 2,206,129 families.

In recent years the regulations have been altered to meet changing conditions. Since 1945, for instance, the waiting period for immigrant children has been cut from three years to one. The sliding scale of allowances in larger families has been abandoned and the allowances are paid on a flat rate according to the child's age without regard to the number of children.

Family allowances are not taxable as part of the income of either parent, but the exemption permitted for a child is reduced if family allowances are paid on behalf of the child.

INDIANS, ESKIMOS

Special provisions have been made for Indians and Eskimos as well. At the end of 1954, there were 20,306 active Indian Family Allowances accounts maintained in Regional offices across the country. A new system for the payment of Indian accounts has now been established. Under this system, a card is prepared for each Indian account, showing the amount paid each month either in cash or in "kind". The method of payment depends on the recommendation of the Indian Superintendent.

New Family Allowances Regulations which came into effect in March, 1953, made provision for the payment of allowance to an Eskimo parent in cash rather than in "kind".

In each province there is a regional office established to cope with the administrative needs of the people of the province. The regional offices employ social workers and field investigators to check on possible misuse of Family Allowances funds.

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VISIT TO SOVIET UNION: The Minister of Fisheries, Mr. James Sinclair, was extended the good wishes of the House of Commons on June 29 on the eve of his departure on a visit to the Soviet Union.

To Mr. Clarence Gillis, (C.C.F.-Cape Breton South) who said he hoped his trip "will be beneficial to himself, to ourselves and to the Soviet Union which he is visiting", Mr. Sinclair replied:

"I am going to attend the annual meeting of the International Whaling Commission. However, I have asked the Russian authorities if when that meeting is over it would be possible to see some of their fishing industry, which is a large one, and to see how the fishermen work and live. I can assure the House that I am looking forward to the visit and I hope I will represent Canada in a creditable fashion."

LABOUR UNION MEMBERSHIP: A survey by the Department of Labour shows that there were 1,268,207 union members in Canada on January 1, 1955, as compared with 1,267,911 on January 1, 1954, an increase of 296.

While the Trades and Labour Congress of Canada and the Canadian Congress of Labour both showed slight membership gains, some of the other groups lost a little ground. In general however, union membership showed little change from 1953.

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APPOINTMENT TO TOKYO: Colonel Eric D. Elwood, MBE, CD, 48, of London, Ont., has been appointed Commander, Canadian Military Mission Far East, Tokyo, and Military Attaché to the Canadian Ambassador in Japan, it was announced July 4 at Army Headquarters.

AID FOR PAKISTAN: The Department of External Affairs announced on July 6 that Mr. S. Morley Scott, High Commissioner for Canada in Pakistan and Mr. Said Hasan, Secretary of the Ministry of Economic Affairs, signed recently a detailed engineering agreement, on behalf of their respective Governments, for the provision under the Colombo Plan of a steam power plant, boilers and generators at Hardinge Bridge, East Pakistan. The Canadian Government is also providing certain building materials, including structural steel, for the construction of the power house in this Ganges-Kobadak project.

The total external cost is estimated at \$1,800,000. All local costs and labour will be financed by Pakistan. An agreement in principle was signed on March 10, 1955, and during the short time that has elapsed since then, all the machinery for the plant has already arrived from Canada and is being transported to the site ready for erection after the monsoon season.

Mr. Brian V. Moss, the Senior Engineer of R.A. Hanright and Company, the Canadian supervising engineers, has been in East Pakistan since February 1955, working closely with East Pakistan engineers in selecting the site and preparing for the erection of the machinery.

STEAM POWER

The steam power plant will provide 10,000 k.w. of energy for use in pumping water from the Ganges River into canals and channels for the irrigation of a large area in the districts of Kushtia, Khulna and Jessore.

The steam power plant forms part of a large irrigation scheme which is an outstanding example of international cooperation. The general plan of the irrigation scheme was worked out by the Food and Agricultural Organization of the United Nations under the direction of Mr. Van Blommenstein. Pumping equipment is being provided by the Foreign Operations Administration of the United States. The Chief Engineer, Irrigation, of East Pakistan is in charge of construction of the extensive civil works.

The Canadian Government is providing the steam power plant, design drawings and specifications, and building materials not available locally, as well as the technical personnel required for supervising the erection of the power house steam plant, and generators.

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INDO CHINA ROTATION: First rotation of Canadian officers and men now serving in Indo China will begin early in July, it was announced at Army Headquarters June 29.

More than 100 officers and men will take over from the present members of the Military Components, Canadian Delegations to the International Supervisory Commissions now serving in Viet Nam, Laos and Cambodia.

AID FOR CEYLON: The Department of External Affairs announced on July 6 that an exchange of notes has been signed in Colombo, Ceylon, by Mr. James Hurley, the Canadian High Commissioner in Ceylon, and a representative of the Ceylon Government, which will bring into effect the programme of aid which Canada will undertake in Ceylon under the Colombo Plan in 1955-56.

The total of this year's aid, as in past years, is approximately \$2 million. Of this amount, assistance in the form of capital equipment or services will make up about \$1,221,000. The remainder of the programme consists of the supply of flour from Canada to Ceylon which will be sold locally for Ceylon rupees which will be used to finance local costs of agreed developmental projects.

As part of this year's programme, further assistance will be provided for the Fisheries Project to which Canada has made a significant contribution in the past through the provision of both equipment and technical experts. Additional aid will also be made available for the development of the Colombo Port and the construction and equipping of a school of Practical Technology. Canada has also agreed to supply three more diesel locomotives for the Ceylon Railways, making a total of eight diesel locomotives supplied by Canada to Ceylon under the Colombo Plan.

It was also agreed that Canada would undertake to finance an aerial survey in Ceylon which is vitally required by Ceylon for its resettlement programme and for the planning generally of the Island's economic development.

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ALBERTA ELECTION: Alberta's Social Credit Government was returned to power with a reduced majority for a sixth term in the June 29 election.

With the tabulation of votes still proceeding, the Social Credit Party was credited as of July 6 with having won 36 of the 61 seats, Liberals 13, Progressive Conservatives 3, C.C.F. 2, Liberal-Progressive Conservative 1, Coalitionist 1, and Independent 1.

The standing at dissolution was: Social Credit 49, Liberal 4, Progressive Conservative 3, CCF 2, Independent Social Credit 1, vacant 2.

Results were still in doubt in four constituencies at July 6, with Social Credit leading in three and an Independent Social Credit leading in the other.

Two Cabinet Ministers, Attorney General Lucien Maynard and Lands and Forests Minister Ivan Casey, have been reported defeated.

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Of the \$220,000,000 worth of chemicals imported last year, 86% came from the United States; 9% from the United Kingdom and 5% from other countries.



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

CANADA AND UN: Addressing the United Nations Tenth Anniversary Session at San Francisco on June 24, the Secretary of State for External Affairs, Mr. L.B. Pearson, a former President, said, in urging that more use be made of the United Nations:

"Here - in our world organization better than at any other place - can we meet the challenge of the nuclear age; co-destruction or cooperation. If we fail in this supreme challenge, there will be no occasion in 1965 to celebrate our twentieth birthday; or, possibly, to celebrate anything else."

Reference was also made in the Canadian House of Commons to the tenth anniversary of the signing of the United Nations Charter. The Prime Minister, Mr. St. Laurent, rose at the commencement of the June 24 sitting and, after declaring that "criticism of the UN must be kept in perspective and not be permitted to throw any doubt upon the vital need for the organization," commented, in part:

"We are, of course, well aware that, at its present stage of development, the organization has not provided security. It has not, as we hoped it might, ensured that 'succeeding generations' will be saved 'from the scourge of war'. It has become necessary for some of its members to seek additional protection in such regional groupings for collective defence as NATO. But we do not regard these as a substitute for the universal collective security that could be afforded by our world organiza-

tion and we have not given up -- and will not give up -- our aspiration towards that objective; our greatest, and it may be, ultimately, our only hope in this nuclear age."

The Leader of the Opposition, Mr. George A. Drew; the Leader of the C.C.F. Party, Mr. M.J. Coldwell, and the spokesman for the Social Credit Group, Mr. A.B. Patterson, followed Mr. St. Laurent to support his hopes for peace and world betterment in the future.

The main part of the text of Mr. Pearson's address at San Francisco was as follows:-

"Ten years ago, in San Francisco, the smaller powers paid a price, by making certain concessions, for a foundation for the United Nations which we hoped would be solid, but which certainly proved to be illusory. This foundation was to be great power cooperation. The price we paid was to give these powers a special position under the Charter.

"We could not have had the United Nations at all without paying this price. It was not too high and it should not be an excuse for our failures. The veto, for instance, is not the cause, as I see it, but the reflection of those failures. International organizations in which, in effect, all members possess a veto have worked well. Our machinery is adequate; but the will to operate it successfully has often faltered or been frustrated.

"Improvements in that machinery - as in any kind of machinery - can, of course, be made. But the remedy for our ills lies not so much in

such improvement as in the desire and determination to make the existing mechanism function better, and for that purpose to make the adjustments in national policy necessary for international agreement on disputed questions. The responsibility for such agreement rests mainly on those members of the United Nations who have the greatest power and the special privileges.

"The H bomb was not written in the Charter; it was not created for peace; it was the product of a desperate anxiety not to be left at an impossible defence disadvantage in a time of fear and crisis. But now, because of this weapon, there stands behind our Charter pledges never to resort to war as a means of settling our differences, a deeper urgency, a more impelling incentive even than that of ten years ago. It is the prospect of mutual annihilation. The balance of terror has replaced the balance of power and that is not a comfortable or strong or permanent foundation for security. Peace rests uneasily on one, even less easily on two, hydrogen bombs. It is the tragedy of our first ten years that peace has not found a better resting place.

"Too many good words of respectable parentage-democracy, co-existence, freedom, appeasement, human rights, popular, and; above all, peace loving - have been turned upside down and inside out and made to seem what they are not. What we need is a convention for the defence of peace loving words against verbal aggression exclamation.

"When the representative of the Soviet Union says - as he did on Wednesday - that 'those who pay lip service to the principle of peaceful co-existence sometimes tend to violate that principle flagrantly in practice', I could not agree with him more. But any satisfaction or comfort I secure from that agreement, however, is removed by the certainty that we could hardly disagree with him more on who are meant by 'those'.

"That disagreement, which makes the other agreement of no importance or even indeed of much meaning, arises from the fears and mistrust that keep us apart; fears that may be strong and genuine on both sides. It is these which endanger the world and they will not be removed merely by repetition of the word 'peace'.

"The people of my own country - like those of many other countries - still have this deep and awful fear of aggressive attack and attack from outside; and by 'outside' I do not mean our good neighbour the USA which we know, from our happy experience, respects the rights and honours the freedom of all peoples. To remove it - and I quote Mr. Molotov again - and with full approval - "what is obviously needed is something more than just verbal recognition of the principle of co-existence and peaceful cooperation between countries with different social structures".

"Again, unhappily, we cannot agree on how that 'something more' can be achieved, or indeed even of what it should be. Those countries who believe in going together for collective security - and who cannot find it tragically at this time in the United Nations - will (let there be no doubt about this) continue to seek it in defensive regional arrangements negotiated and operated in accordance with the principles of the Charter of the United Nations.

"The United Nations is a remarkably flexible and adaptable mechanism. It is led and staffed by a group of able, trained and dedicated men and women whose zeal and devotion will in time deteriorate if we do not make the fullest use of their capabilities.

"Let us, then, make more use of the organization we have, not following too slavishly the original blueprint where we find it impracticable or outdated, note United Nations has unique and unexplored potentialities if we treat it as it was meant to be treated, as an instrument through which our conflicting interests may gradually, one by one, be harmonized, and our mutual understanding may grow. Here - in our world organization better than at any other place - can we meet the challenge of the nuclear age; co-destruction or co-operation.

"If we fail in this supreme challenge, there will be no occasion in 1965 to celebrate our twentieth birthday; or, possibly, to celebrate anything else."

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FARM INCOME DOWN: Cash income received by Canadian farmers from the sale of farm products in the first quarter of this year amounted to an estimated \$472,000,000, down nearly 7% from \$506,200,000 in the corresponding period of 1954 and 15% below the all-time high first-quarter estimate of \$555,700,000 in 1952. The decrease is attributable in large part to much smaller wheat participation payments and substantially lower returns from the sale of oats and hogs.

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Canadian mines produced 369,724 fine ounces of gold in April as compared with 357,911 fine ounces in the same month last year, DBS reports. This brought total output in the first four months of 1955 to 1,458,775 fine ounces as against 1,331,124 last year.

* * * *

Railway car loadings in the first week of June increased 16.6% to 84,960 cars from last year's corresponding total of 72,857 cars, raising the total for the year to date 7.3% to 1,601,699 cars from 1,492,322.

DIPLOMATIC SERVICE: The Acting Secretary of State for External Affairs on June 23 announced the following transfers within the Canadian Diplomatic Service:

Mr. R.M. Macdonnell, Assistant Under-Secretary of State for External Affairs, will become Deputy Under-Secretary of State for External Affairs, effective August 1.

Mr. D.M. Johnson, the Canadian Permanent Representative to the United Nations will succeed Brigadier Sherwood Lett as Canadian Commissioner on the International Supervisory Commission for Vietnam.

Mr. Johnson is expected to take up his new duties in August. The appointment of Dr. R.A. MacKay to succeed Mr. Johnson in New York was announced on June 1. Mr. Lett is expected to return to Canada to resume his private law practice about the middle of July.

Mr. Arnold C. Smith, Special Assistant to the Secretary of State for External Affairs, will succeed Mr. Rudolph Duder as Canadian Commissioner on the International Supervisory Commission for Cambodia, effective August 1.

Mr. Duder has recently returned to Canada and will succeed Mr. Alfred Rive as Foreign Service Member of the Directing Staff of the National Defence College in September. An announcement concerning Mr. Rive's next assignment will be made shortly.

* * * *

CANADIAN ARTISTS COMMISSIONED: Three well-known Canadian artists are to be commissioned by the Government to paint the large murals which will decorate certain walls on the sixth floor of the newly completed East Veterans' Memorial Building in Ottawa, it was announced June 20.

Mr. Charles F. Comfort, R.C.A., who is a member of the faculty at the University of Toronto; Mr. George Pepper, A.R.C.A., a teacher in the Toronto College of Art, and Mr. Andre Bieler, A.R.C.A., who is a member of the teaching staff of Queen's University, Kingston, Ontario, are the three artists chosen to carry out this important assignment. Each of them is an expert muralist and they all served with the Canadian forces in World War II.

* * * *

CORPORATION PROFITS UP: Profits before taxes of Canadian corporations were estimated at \$570,000,000 for the first quarter of 1955 in a report published June 22 by the DBS. This represents a gain of 5.6% over the \$540,000,-000 total for the January-March period of 1954.

The Bureau estimated net earnings of Canadian corporations at \$820,000,000 for the first quarter this year as against \$774,000,-000 a year earlier.

The sharpest increase in profits before taxes in the first quarter this year was for corporations in the mining, quarrying and oil wells group, which increased to \$80,000,000 from \$47,000,000 in the first quarter of 1954.

FAR NORTH SURVEYS: Canada's Far North is to receive major attention from federal Government surveyors, topographical engineers and hydrographers this field season according to the surveying and mapping programme announced by the Minister of Mines and Technical Surveys, Mr. George Prudham.

Of the 73 parties being placed in the field by the Department's Surveys and Mapping Branch 20 will work in Yukon, Northwest Territories and the Arctic Islands. They will set up the framework for the mapping of Canada's northern areas, by determining the latitudes, longitudes and heights above sea level of selected points, and will obtain all the topographical data needed for the production of base maps so necessary for resources development and other purposes. The Canadian Hydrographic Service will continue to chart Canada's Arctic waters.

Eighteen of the 73 parties are from the Geodetic Survey of Canada, 25 from the Topographical Survey, 12 from Legal Surveys and 18 from the Canadian Hydrographic Service.

Highlighting the programme are two helicopter projects and a radar altimetry survey. The helicopter projects will be carried out by the Topographical Survey over areas totalling 60,000 square miles in New Quebec-Labrador and along the lower Mackenzie River in Northwest Territories. The radar altimetry survey will be carried out over the Ungava peninsula to determine the heights of critical points in that area for use in the air navigation charts put out by the Department.

This year the Canadian Hydrographic Service will use a new method of determining the positions of soundings. It has equipped the C.G.S. "Kapuskasing" with electronic devices whereby such positions may be accurately located when out of sight of land.

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R.C.A.F. IN NATO AIR EXERCISE: Canada's NATO Air Division is gearing its Sabre-jets for all-out participation in Exercise "Carte Blanche", the large-scale air manoeuvre to take place over Western Europe 20 - 28 June, Air Division officials stated June 20.

All 12 squadrons were to participate in the exercise including the three located at the newest Canadian airbase, No. 1 Fighter Wing, Marville, France.

More than 3,000 planes from 11 NATO nations were to take part in "Carte Blanche." According to officials of Allied Air Forces Central Europe, the exercise would be the most realistic ever held, with atom bombers making simulated attacks on key targets.

RCAF fighter wings were to fly with U.S. and French air elements as part of No. 4 Allied Air Forces Central Europe. They were to be augmented with forces from RAF Bomber Command, the Greek, Italian and Turkish Air Forces, and the U.S. 6th Fleet operating in the Mediterranean.

ATOMIC ENERGY AGREEMENTS: Agreements between Canada and the United States for co-operation concerning civil uses of atomic energy and atomic information for mutual defence purposes were tabled in the House of Commons on June 20 on behalf of the Secretary of State for External Affairs, Mr. L.B. Pearson.

The Minister of Trade and Commerce, Mr. C.D. Howe, outlined for the House the main features of the Agreement concerning the civil uses of atomic energy; the Minister of National Defence, it was announced, is to make an explanatory statement later on the Agreement regarding atomic information for mutual defence.

Mr. Howe spoke as follows:

"As the Secretary of State for External Affairs (Mr. Pearson) said last Wednesday when he announced that the Agreement had been signed, the Agreement has been made possible by the revision of the United States Atomic Energy Act in 1954. This Agreement has been prepared in order to take advantage of the extension of the areas of co-operation made possible by the new United States act.

CO-OPERATION

"This act now provides for an exchange of information and other forms of co-operation in the following fields:

- (1) Refining, purification, and subsequent treatment of source material.
- (2) Reactor development.
- (3) Production of special nuclear material.
- (4) Health and Safety.
- (5) Industrial and other applications of atomic energy for peaceful purposes.
- (6) Research and development relating to the foregoing.

"The Agreement which has just been executed is designed to take advantage of this fact. The preamble to the Agreement records briefly the collaboration which has taken place between Canada and the United States since the inception of the atomic energy programme in the war years, and established a general basis for future co-operation. The body of the Agreement specifies the manner in which co-operation in the six areas I have just mentioned will take place.

"The Agreement, of course, confers advantages on both countries. From Canada's standpoint it will be of particular value that we will now have access to information on the several types of demonstration power reactors which are being built in the United States. This information will be most helpful in comparing the performances of the different types of demonstration reactors now under design and construction in the United States, Canada and the United Kingdom.

"Another important benefit to the Agreement is that it also provides for a more complete exchange of information in the purely scientific field, which, of course, is fundamental to our progress in the development of atomic energy for peaceful purposes.

"While the purpose of the Agreement is to further the civil application of atomic energy, it must be recognized that much of the information which will be exchanged also has military significance. Consequently, the Agreement contains certain provisions relating to the safeguarding of such information.

"The agreement marks a further stage in Canada's close collaboration with the United States in the Development of atomic energy for peaceful purposes."

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JOURNALISTS FROM FRANCE: The Department of External Affairs announced on June 22 that 32 representatives from member newspapers of La Confédération de la Presse Française had arrived in Canada from France to hold their annual meeting for the first time in this country.

The membership in the Confederation is made up of 43 provincial and weekly papers published in North Africa as well as in continental France. The president is Mr. Pierre Archambault Director of La Nouvelle République de Centre-Ouest of Tours. The group of 32 included publishers, directors, editors and journalists.

During their one day visit to the capital city, the Confederation members were received by the Prime Minister, Mr. Louis S. St. Laurent. The Minister of National Health and Welfare and Acting Minister of External Affairs, Mr. Paul Martin, was their host at a luncheon.

* * *

JULY 1 FETE IN DORTMUND: A track and field meet, carnival with midway, band concert, cowboys and Indians and lumberjacking will all be offered during Dominion Day celebrations for Canadians in West Germany, Army Headquarters has announced.

All events will be held in a 40,000-seat outdoor stadium in Dortmund with more than 5,000 soldiers, 3,000 wives and children and many guests attending.

* * *

Freight transported through the ten Canadian canals in April totalled 2,699,072 tons, an increase of 1,045,260 tons or 63.2% over last year's corresponding total of 1,653,812 tons. Increased shipments of wheat, barley, other grains, bituminous coal and other freight through the Welland and St. Lawrence systems were mainly responsible.

SHARP RISE IN FOREIGN COMMODITY TRADE

MAY STATISTICS: Canada's foreign commodity trade showed a much larger than usual expansion in May, with imports rising sharply over the previous month and May last year to reach the highest value on record both for May and any month and exports continuing the upward trend of the previous four months, according to preliminary figures released by DBS. Added to increases in each of the earlier months, the May gains brought Canada's imports for the first five months close to the record figure of 1953 and total commodity exports to a level exceeded only in 1952.

Commodity imports rose almost 21% in May to an estimated \$435,000,000 from \$359,700,000 a year earlier, larger purchases from the United States accounting for a major part of the gain. Imports were up slightly from the United Kingdom and the rest of the Commonwealth and substantially larger from the remaining foreign countries.

Total exports rose to \$372,900,000 from \$360,000,000, larger shipments going to the United States, the United Kingdom and other Commonwealth countries but smaller to other foreign countries as a group. The overall net result was a purchase balance on the month's trade of \$62,100,000 in contrast to a sales balance of \$300,000 a year ago.

In the five months ending May, estimated imports from all countries aggregated \$1,808,-300,000, up 10.6% from last year's \$1,634,000,-000 and only narrowly below the record five-month total of \$1,810,300,000 in 1953. At the same time total exports jumped 10% to \$1,680,-000,000 from \$1,524,400,000.

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DR. MAHMOUD FAWZI'S VISIT: The Department of External Affairs announced June 24 that His Excellency Dr. Mahmoud Fawzi, the Minister of Foreign Affairs of Egypt, would arrive in Ottawa on June 28 for a three-day visit. Dr. Fawzi had been attending the commemorative meetings in San Francisco of the tenth anniversary of the United Nations.

During his visit the Egyptian Foreign Affairs Minister called upon the Prime Minister of Canada, Mr. St. Laurent; on the Minister of Trade and Commerce and Defence Production, Mr. C.D. Howe; and on the Secretary of State for External Affairs, Mr. L.B. Pearson.

On Thursday morning he left Ottawa for the atomic Energy of Canada Limited plant at Chalk River.

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Gross capability of Canada's electric power producers is expected to reach 16,446,000 kilowatts by 1958, an increase of more than 25% over the 1954 capability and almost 80% more than in 1950.

The larger rise in imports than in exports raised the cumulative import balance to \$128,-300,000 from \$109,600,000 in the five months of 1954. Imports were higher in value from all main areas except the United Kingdom, while total exports were larger to the United States, the United Kingdom and other Commonwealth countries but smaller to the remaining countries as a whole.

Commodity imports from the United States in May climbed to an estimated \$320,200,000 from \$260,000,000, and exports were moderately higher at \$221,800,000 versus \$213,000,000. The result was an enlarged import surplus of \$98,400,000 versus \$47,000,000. In the five months ending May, imports from the United States rose to \$1,350,700,000 from \$1,205,800,-000, total exports to \$995,800,000 from \$932,-100,000, and the import surplus climbed to \$354,900,000 from \$273,700,000.

Estimated imports from the United Kingdom were slightly larger in May at \$37,800,000 versus \$36,000,000 and total exports rose to \$67,200,000 from \$58,900,000. In the five month period imports were narrowly lower at \$157,000,000 versus \$159,500,000 and exports sharply higher at \$321,500,000 versus \$234,-200,000. For the month the export surplus rose to \$29,400,000 from \$22,900,000 and for the five months to \$164,500,000 from \$74,700,000.

Imports from the rest of the Commonwealth in May advanced to \$19,700,000 from \$17,000,-000, raising the five-month total to \$74,200,-000 from \$60,700,000. Exports to these countries in May also rose to \$21,200,000 from \$19,800,000 and in the five months to \$94,-100,000 from \$76,400,000.

SHAKESPEAREAN FESTIVAL: The Stratford, Ont., Shakespearean Festival opened its third season on June 27. A distinguished first night audience enjoyed what was described as an "energetic and provocative" performance of "Julius Caesar" as the opening night's submission.

Before the performance, the Committee of the Festival entertained nearly 1,000 persons to dinner, among them some of the most distinguished critics of North America.

"Oedipus Rex" was to be the next production, followed by "The Merchant of Venice."

* * * *

PENSIONS FOR THE BLIND: The Senate, on June 27, without debate, passed a Government bill lowering from 21 to 18 years the qualifying age for blind persons' pensions. The measure, which previously had been approved by the House of Commons, also raises the scale of maximum permissible income the blind may earn and still qualify for pension.

DOMINION-PROVINCIAL CONFERENCE: The Prime Minister, Mr. St. Laurent, announced in the House of Commons on June 21 the proposals for the relief of unemployed persons placed before the Dominion-Provincial Conference of June 20 and 21.

He said, in part:

"At the conclusion of the meeting held on June 20 and 21 it was announced that the provincial and federal representatives had discussed several suggestions for sharing the costs of providing assistance to the unemployed persons in need. These suggestions arose out of the consideration of the general proposal put forward by the federal Government at the conference late in April and took into account the facts and figures assembled since that time.

"The provincial representatives have decided to consider with their Governments the modified proposal made to them that the federal Government accept one-half of the cost of relief for the number of those in need in each Province in excess of 0.45 per cent of the population of the Province.

"This 0.45 per cent of the population proposed as the starting point for federal sharing is taken as a measure of the basic load of those in need because they are unemployable, and would make it unnecessary for the federal Government to make any distinction between payments to persons who are employable and those who are not employable.

"Special consideration will be given to the problem arising in any province where the load of unemployable persons receiving assistance has normally been below this level of 0.45 per cent.

"Public investment and other measures that would help to maintain employment at a high level will be considered at the October conference and preparatory discussions on these subjects as well as other items on the agenda will take place at a meeting of the Preparatory Committee of provincial and federal officials early in July". . . .

The Prime Minister then went on to outline the plan in greater detail and announced that the effective date of the commencement of the sharing arrangement in each province should not be earlier than July 1.

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CANADA AT ILO: Canada's Minister of Labour Mr. Milton F. Gregg, told the ILO Conference at Geneva last week that labour management in Canada were "succeeding in establishing the kind of dynamic balance of power in which the two sides were able to feel they have both security and opportunity to progress. I am sure this is the case in many other countries as well. As they succeed, the old bitterness, suspicions, and class conflicts are disappearing. In their place we are finding healthy confident attitudes on both sides of the table."

MAY SURPLUS \$104.1 MILLION: The federal Government's budgetary revenues for May were \$382.3 million or \$7.8 million less than for May last year, while expenditures were \$278.2 million or \$32.6 million more than a year ago. The budgetary surplus for May was \$104.1 million compared with \$144.5 million for May 1954, the Minister of Finance, Mr. Walter Harris, announced June 25.

For the first two months of the current fiscal year budgetary revenues were \$611.3 million, expenditures were \$474.7 million and the surplus was \$136.6 million. For the first two months of 1954-55, revenues were \$635.6 million, expenditures were \$461.4 million and the budgetary surplus was \$174.2 million.

Operations of the old age security fund, which are not included in budgetary transactions, resulted in a surplus of \$0.6 million for May and a cumulative deficit of \$8 million for the two months to May 31.

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ARCTIC SUPPLY: Pre-fabricated dwellings, cement and other building material form an important part of the cargo of three Department of Transport vessels which sail from Montreal this week-end on their annual assignment to re-supply governmental outposts in the Canadian Arctic.

The three departmental vessels will be joined later this summer by another icebreaker and two charter ships in carrying out Operation Nors II for the re-supply by water of the joint Canadian-United States Arctic weather stations.

The three vessels leaving from Montreal this week-end are: C.G.S. "C.D. Howe", C.G.S. "N.B. McLean", and C.G.S. "Edward Cornwallis".

The "C.D. Howe" is the Department of Transport's Arctic Supply Vessel and will carry the official governmental party of officials from the Department of Northern Affairs and National Resources who are responsible for the administration of the northland; doctors and dentists from the Department of National Health and Welfare responsible for the health of natives and white men alike in these northern outposts; surveyors and hydrographers from the Department of Mines and Technical Surveys; officers of the R.C.M.P.; and representatives of the Post Office Department.

Altogether, the ship will have on board some 40 official passengers and 17 Eskimos from Montreal, the latter returning to their homes after a sojourn in hospitals.

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Foreign vehicles entering Canada on traveller's vehicle permits in May totalled 201,188, a new high record for the month. This was 3% above last year's corresponding total of 194,-685. In the January-May period the entries rose 4.1% to 496,828 from 477,278 in the like 1954 period.



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WEEK'S EVENTS IN REVIEW

"MAINTENANCE OF PEACE": Declaring the "central concept of Canada's defence policy today" to be "the maintenance of peace - peace assured by such overwhelming collective strength that no potential aggressor will dare to put the issue to the test," the Minister of National Defence, Mr. R.O. Campney launched debate on his Department's estimates, totalling about \$1,775,000,000, in the House of Commons on June 16.

On general policy and outlook, he spoke, in part, as follows:

"All our thinking about defence today must be profoundly affected, I am sure all will agree, by recent developments in the field of atomic and thermonuclear weapons as well as in the range and speed of modern jet bombers....

"There is today no absolute defence against atomic and thermonuclear weapons in the quantities in which they could be aggressively brought to bear on this or any other country. That does not mean that we may not blunt and minimize such an attack. That does not mean that we could not survive such an attack. The powers of resistance and the ingenuity of human beings are very great indeed, as we saw in the last world war.

"We may lessen the effectiveness of such an attack by such powers and measures as we can contrive, but we cannot wholly prevent damage to a country geographically as large as Canada. In other words, there is no 100 per cent

perfect defence which will prevent such an attack from meeting with some degree of success if it is made.

"It follows, therefore, that since Canada, by herself, can provide only a limited though substantial amount of defence, and since other free countries are in the same position, greater assurance against the risks of war can be attained only by collective security. That is, of course, the meaning of NATO -- of fifteen nations working to one end -- a great joint defence effort on the part of all for the protection of each.

"I should like to say that Canadians generally welcome the German people as our full and equal partners in NATO. The accession of the Federal Republic of Germany is important not only because it will eventually strengthen the defence forces of the free world, but also because time may well prove that this enlargement of NATO is in itself a significant milestone along the path to the ultimate brotherhood of nations and the abolition of war.

"Within this NATO team, Canada has the role of providing some measures of defence at home and some abroad. It is to this end that we are providing sea, land and air forces. But we do not, and we cannot, provide weapons and forces of all types and in the numbers which might be required for the complete defence of all Canada in a global war, if that should come. It would be quite beyond the resources

(C.W.B. June 24, 1955)

both physical and financial, of a country embracing such a vast area as ours does, and relatively so sparsely populated, to carry out such a tremendous undertaking by itself. . . .

"And it is folly in any event for us, or for a potential enemy, or for anyone, to talk today about 'winning' a war. The tremendous powers of death, destruction and contamination of thermonuclear warfare today simply beggar description.

"Our hope under such circumstances would simply be not to lose the war, rather than to expect to win it. And in this case there is a vast difference between 'not losing' and 'winning'.

"That is why the central concept of Canada's defence policy today is the maintenance of peace -- peace assured by such overwhelming collective strength that no potential aggressor will dare to put the issue to the test.

"We must seek increasingly, by every means within our power and in conjunction with our friends, to prevent the outbreak of a major war, which, if it came, could only bring chaos and catastrophe for everyone involved.

ALL-OUT RETALIATION

"Together with our allies we must make it abundantly clear that violent aggression will be answered instantaneously by all-out retaliation throughout the homeland of the aggressor. And we must show as well our determination and our capacity to survive a sudden attempt at a knock-out blow and to fight our way back to stability and freedom as quickly as we can.

"That is why we have the 1st Canadian air division in Europe with twelve squadrons of first-class fighter planes.

"That is why we have the 1st Canadian Infantry Brigade there to help defend freedom in Europe.

"That is why we have fighting ships and planes ready to patrol the North Atlantic sea-lanes against the submarine menace.

"That is why we have here in Canada a mobile striking force of three airborne battalions ready to meet possible local attacks instantaneously.

"That is why, working with the United States, we are extending a complex radar warning network across the land's vast distances, and out into the neighbouring oceans.

"That is why, in the North American air spaces, Canadian and United States interceptor planes, aided by radar and ground observers, are constantly watching and checking unidentified aircraft.

"And that is why, since NATO was formed six years ago, Canada has contributed military aid to our European friends to a value substantially in excess of one billion dollars, and is training year by year approximately 1,000 aircrew for our allies.

"All of these vital elements of our defence effort here and in Europe are to help make the nations of the north Atlantic community

capable of checking an aggressor and of striking back so vigorously as to destroy his war potential. . . .

"In recent months there appears to have been a lessening of tension in the cold war -- certainly in Europe. We hope the friendly gestures from behind the iron curtain are genuine and sincere. But in the light of experience we must proceed with caution and with hope until we can more definitely assess the import of those gestures -- their motivation and their real objective.

"There is also another side of this matter which was mentioned in this House only a few days ago by my colleague, the Minister of Defence Production (Mr. Howe). It is briefly this: while the outbreak of war now seems less likely, the imperative need for success in our policy of deterrence has increased very greatly. The order of magnitude of this increase is, I suggest, directly related to the tremendously greater consequences of war, and is roughly proportional to the destructive power of the H-bomb as compared to the A-bomb.

PLAN TO PREVENT WAR

"I have sought in my remarks thus far to emphasize that the plan of Canada and our allies is not to win a third world war but rather to prevent it, and -- in the alternative -- to prepare ourselves to survive any sudden attack and then to fight back hard and at once. These are our objectives and these are the objectives of our allies. . . ."

Touching on the close working relations existing between Canada and the United States for continental defence, he mentioned that Canada's contribution would be "nearly one third of a billion dollars to the joint Canada-U.S. warning and control system."

He concluded:

"In peace, and in our common pursuit of the abundance that science and human ingenuity and hard work can provide for the great masses of humanity, no thinking person wants to see war delay or turn aside mankind's long and patient pilgrimage towards a better life.

"While our hearts cherish the hope of a world without war, in these uneasy years our defence preparations give the best substance to this hope.

"The present climate of international affairs appears to be moderating, but we cannot be sure that the better weather of recent months will endure. Our objective remains fixed before us -- to make peace permanent. With this in mind, the free nations are willing to negotiate with the USSR -- at the summit, at any level -- but we must negotiate from strength.

"Defence is costly and will no doubt continue so. But standing resolutely and together with the other free peoples, Canadians are willing to pay dearly to maintain their way of life.

"To do this, we must go on so far as we can see, year after year, investing a substantial part of our national production in defence.

"After all, the reward for our defence preparedness is immeasurable: for what we do to guard against the possibility of war is our best guarantee that our time will be a time of peace."

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INTERNATIONAL TRANSACTIONS: Canada's transactions in goods and services with other countries resulted in a deficit of \$431 million last year as compared to a deficit of \$443 million in 1953, according to the Bureau's annual report on the balance of international payments.

The stability of the deficit reflected opposite movements in the balances on merchandise and non-merchandise transactions. The trade balance, as adjusted for purposes of the balance of payments, swung from a deficit of \$58 million in 1953 to a surplus of \$13 million, merchandise exports falling by \$223 million and imports still further by \$294 million.

Most of this improvement in the trade balance was offset by larger payments for invisibles, the customary deficit on these transactions rising by \$59 million from \$385 to \$444 million. The greater part of this change was due to higher payments and lower receipts for interest and dividends.

Travel expenditures also rose, while receipts were unchanged. These increased deficits on income and travel account were only partly offset by higher gold production available for export and a reduced deficit on freight and shipping account.

Following is a summary of the principal elements of Canada's current account with all countries last year, with 1953 figures in brackets (in millions of dollars): balance on commodity trade 13 (-58); gold production available for export, 155 (144); balance on travel, -80 (-53); balance on interest and dividends, -288 (-239); freight and shipping balance, -46 (-56); inheritances and migrants' funds, -5 (--) ; all other current transactions, -180 (-171).

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1955 CANADA HANDBOOK: Bearing an artist's representation in colour of the Canada goose on its cover and with a number of innovations in its text and design, Canada 1955 - the popular annual "Official Handbook of Present Conditions and Recent Progress" - was released for distribution June 17 by the Dominion Bureau of Statistics and the Queen's Printer. Copies are available from the Queen's Printer, Ottawa, at 75 cents a copy.

EMPLOYMENT EXPANSION: Employment during May continued to expand more rapidly than is usual for the season. Between mid-April and mid-May, the number of persons with jobs increased by some 201,000 to an estimated 5,324,000, an all-time high for May. Although the labour force increased by 87,000 during the month, the increase in employment reduced the estimate of those without jobs and seeking work by 114,000 to 213,000 which was some 5,000 below the figure a year earlier. The number of applications for jobs at NES offices fell steadily during the month and also dropped below the corresponding 1954 figure, the Department of Labour reported.

It was clear that the continued up-swing in business activity was now having a marked effect on employment generally. Current high levels of activity in the automobile, construction and related industries were making an important contribution to rising employment. Job openings at NES offices indicated that requirements for workers in construction, the metal trades and a number of trade and service occupations were considerably larger than last year.

Rising levels of employment balanced labour supply and demand in a considerably larger number of labour markets than a year ago. The classification of the 109 local labour market areas at June 1, 1955, (last year's figures in brackets) was as follows: in balance 45 (23); moderate surplus, 55 (65); substantial surplus, 9 (21).

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QUEEN ELIZABETH SCHOLARSHIPS: The first awards of the newly established Queen Elizabeth Scholarships at the Nursery Training School of Boston have been made to Miss Dorothy Keith of Rutland, Saskatchewan, and Miss Madeleine Brault of Vancouver, British Columbia, it was announced in Ottawa by the Minister of National Health and Welfare, June 16.

The scholarships, which were offered by the famed Boston school at the time of the Coronation of Her Majesty, Queen Elizabeth II, provide for a year's training for a Canadian student. The scholarship covers a year's tuition, room and board for one candidate. Due to the high calibre of the applicants, a second scholarship for tuition only has been generously offered by the school.

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WHEAT STOCKS DOWN: Stocks of Canadian wheat in store at the beginning of June were down 5% from a year earlier, totalling 324,434,000 bushels versus 340,558,000. Prairie marketings during the week rose to 6,398,000 bushels from 5,561,000 but overseas export clearances fell to 2,673,000 bushels from 3,714,000.

ECONOMIC COMMISSION: The Prime Minister, Mr. St. Laurent, announced in the House of Commons on June 17 the composition of the Royal Commission on Canada's economic prospects which had been forecast by the Minister of Finance, Mr. Harris, in his Budget Speech in April.

The Chairman of the Commission is to be Mr. Walter Gordon, accountant and management consultant of Toronto, Ont., and the other members will be Mr. Omer Lussier, of Quebec; Mr. A.E. Grauer, of Vancouver; Dr. Andrew Stewart, of Edmonton; and Dr. Raymond Gushue, of St. John's Newfoundland.

"The terms of reference of the Commission direct it to examine and report upon Canada's economic prospects," said Mr. St. Laurent. "In particular, it is directed to study developments in the supply of basic raw materials and energy sources, prospects for growth and change in domestic and external markets, the growth in the population of Canada, trends in productivity and living standards and prospective requirements for industrial and social capital."

"Mr. D.V. LePan of the Department of External Affairs has been appointed Secretary of the Commission and Director of Research for it."

* * *

SAN FRANCISCO DELEGATION: The Department of External Affairs announced June 17 that the Secretary of State for External Affairs, Mr. L.B. Pearson, had left Ottawa to attend the special meeting of the United Nations which will be held in San Francisco throughout the week ending June 26, to commemorate the Tenth Anniversary of the signing of the United Nations Charter.

The other members of the Canadian Delegation are Mr. David Johnson, Permanent Representative to the United Nations in New York, Mr. Christopher C. Eberts, Consul General of Canada in San Francisco, and Mr. J.E. Thibault of the Permanent Delegation in New York.

The commemoration of the Tenth Anniversary of the signing of the Charter is also being celebrated in Canada.

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Value of cheques cashed in clearing centres in April totalled \$12,690,000,000, 4.2% above last year's corresponding total of \$12,179,-000,000. In the January-April period the gain was 5.3% to \$50,424,000,000 from \$47,887,000,-000 a year earlier.

* * *

Total exports of Canadian oats, barley, rye and flaxseed during the first three quarters of the 1954-55 crop year have amounted to 78,500,-000 bushels as against 143,900,000 in the corresponding period of the preceding crop year.

* * *

BANNER AUTO SALES MONTH: The retail value of new motor vehicles sold in Canada soared to an all-time peak of \$143,713,000 in April, 18% above the April 1954 total of \$121,793,000, DBS reports. All told, 53,910 vehicles were sold, 6,631 or 14% more than in April last year and the second-highest monthly total on record -- in April 1953 some 56,261 new vehicles were sold for \$140,674,000.

Passenger car sales broke all records this April, the number increasing over 17% to 46,002 from 39,221 a year earlier and the retail value more than 20% to \$121,042,000 from \$100,805,000.

Although 2% fewer commercial vehicles were sold this April -- 7,908 versus 8,058 last year -- retail value rose 8% to \$22,671,000 from \$20,988,000. The number of buses sold jumped to 94 from 34 in April last year, retail value increasing to \$1,979,000 from \$805,000.

Sales of European-made vehicles also increased this April, but in contrast to the trend in sales of Canadian-made vehicles the most pronounced advance was in commercial vehicles, which jumped 58% in number to 235 from 149 and 46% in value to \$468,000 from \$321,000. About 2% more European passenger cars were sold -- 2,461 versus 2,420 in April last year -- but retail value showed only a slight gain to \$4,529,000 from \$4,526,000.

The total number of new European motor vehicles sold increased 5% to 2,696 from 2,569 and retail value about 3% to \$4,997,000 from \$4,847,000.

* * *

PETROLEUM RISE: Canadian refineries produced 13,218,565 barrels of petroleum products in February as compared with 12,782,666 in the corresponding month last year. Production was higher for motor gasoline, aviation turbine fuel, stove oil, diesel fuel and asphalt, but lower for heavy fuel oil and lubricating oil.

Crude oil received by refineries during the month totalled 14,107,931 barrels, up from 12,954,670, domestic receipts rising to 7,784,534 barrels from 7,430,762 and imported supplies to 6,323,397 barrels from 5,523,908. Refinery inventories of refined products at the beginning of March were 22,562,658 barrels versus 21,588,159.

* * *

COASTING TRADE COMMISSION: The first public hearings of the Royal Commission on the Coasting Trade will be held in Ottawa from July 11 to July 15, it was announced June 17 by the Honourable Mr. Justice W.F. Spence, Chairman of the Commission. The Ottawa hearings will be followed by sessions in the Atlantic Provinces.

GROSS NATIONAL PRODUCT SHOWS FURTHER ADVANCE

BUSINESS BETTERMENT: Canada's gross national product showed a further advance in the first quarter of 1955, as the upturn in business activity which began in the second half of last year continued, according to the Bureau's quarterly report on the National Accounts.

Seasonally adjusted at annual rates, the value of the Nation's total production of goods and services amounted to \$25.0 billion in the first quarter, an increase of 3% over the fourth quarter of 1954 and 4% above the average of \$24.0 billion for the year 1954 as a whole.

The gains over last year include an allowance for an estimated higher crop production in 1955 and are thus subject to partial qualification. About 1 percentage point of these increases, or \$200 million, is attributable to this factor.

\$400,000,000 INCREASE

The report indicates that in the non-farm sector of the economy the expansion in activity which began last year brought the level of non-farm production in the first quarter to a point about 2% above last year's peak fourth-quarter level. Seasonally adjusted at annual rates, the increase in gross national product, excluding accrued net income of farm operators, amounted to about \$400 million.

Related indicators suggest that, after allowing for seasonal factors, about one-half of the production gain occurred in manufacturing, with the major increases in transportation equipment, iron and steel products, and wood products.

The expansion of business activity from the fourth to the first quarter was accompanied by a build-up of business inventories and a sharp rise in merchandise exports, on the seasonally adjusted basis. Apart from these two expenditure categories, other major components of demand in the first quarter were relatively stable. Approximately half of the inventory build-up (seasonally adjusted) appears to have been in automobiles, production of which was a major factor in the upturn in manufacturing activity.

The gains in merchandise exports in the first quarter were generally widespread and

affected most of the major categories in the export group. In particular, exports of agricultural products, iron and its products, non-ferrous metals and chemicals showed major gains from the fourth to the first quarter, after allowing for seasonal factors.

This rise in export demand, as has been noted, was accompanied by gains in production in durable manufacturing, forestry and mining.

Wages, salaries and supplementary labour income, seasonally adjusted, amounted to \$12.3 billion in the first quarter of 1955, nearly 1% higher than in the last quarter of 1954.

Investment income, seasonally adjusted, rose moderately in the first quarter over the last quarter of 1954.

INDIRECT TAXES GAIN

Indirect taxes less subsidies, seasonally adjusted, showed a substantial gain in the first quarter of 1955 over the fourth quarter of last year, as federal excise tax collections and customs import duties rose sharply.

Personal expenditure on consumer goods and services showed little change in total from the fourth to the first quarter (seasonally adjusted), but was at an annual rate approximately 2% above the average for the year 1954 as a whole.

The build-up of business inventories was a major factor in the increase in output from the fourth to the first quarter. Seasonally adjusted at annual rates, the accumulation of business inventories in the first quarter amounted to \$0.4 billion. During the second and third quarters of 1954, a substantial part of final demand was being met through the drawing down of existing inventory stocks, and this development tended to have a restraining effect upon production. The turn-around in business inventories from the third quarter of 1954 to the first quarter of 1955 has amounted to approximately \$0.8 billion (seasonally adjusted at annual rates), or somewhat more than 3% of gross national product.

Substantial increases were experienced in both exports and imports of goods and services in the first quarter of 1955. Seasonally adjusted at annual rates, exports rose by 8% over the fourth quarter, while imports showed a gain of 4%;

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Cypress Hills in Saskatchewan is a wood-studded parkland 4,300 feet above sea level.

* * *

Canada's 17 scenic national parks span the North American continent.

It is estimated that Quebec's famed Percé Rock weighs about four million tons.

* * *

Elk Island National Park in Alberta is the largest fenced wild animal preserve in Canada.

HEALTH EDUCATION FOR ESKIMOS

"SATURATION SURVEY": When the "C.D. Howe" sails on June 25 on its annual trip to the Eastern Arctic, it will have aboard two medical survey teams from the Department of National Health and Welfare.

These two, and three others setting out at the same time, each will consist of a medical officer, a male nurse or hospital attendant, an X-ray technician, and an interpreter. Dentists will travel with two of the parties. These teams will make a bold attempt to see as many as possible of the 3,000 Eskimos in the territory to be covered this year.

Such teams have gone out before, but this year there is a difference. The "C.D. Howe" can touch only at the main points on the Eastern Arctic coastline, and the medical parties have, in the past, tried to have Eskimos assembled at these points. Last year 45 per cent of the Eskimo population was reached for chest X-rays.

This year only one team is travelling with the ship, and the others are travelling by plane, boat or any other way they can, along the coast. Since most Eskimos camp along the coast in these areas they hope to reach most camps and X-ray every Eskimo encountered as well as get material for registration of the population.

Each of the five parties will be supplied with almost identical equipment, stocks and rations. Each will have identical instructions as to medical reporting. It is hoped in this way to get a composite picture of the location, health and environment of the whole Eskimo population.

SECURITY TRANSACTIONS: Portfolio security transactions between Canada and other countries during the first quarter of 1955 led to a sales balance or capital inflow of \$13,000,000, following purchase balances in the last two quarters of 1954, DBS reports.

Proceeds of new Canadian securities sold totalled \$105,000,000. This amount is remarkably large in view of the prevailing narrow differential in interest rates. Although there were several municipal issues of significant size placed abroad, the larger part of the total is attributable to the acquisition by non-residents of new stocks offered to shareholders by Canadian companies, and to institutional purchases of new domestic issues, principally of corporations.

Trading in outstanding Canadian issues led to an outflow of capital of \$20,000,000 after four successive quarters of inflow. This inflow occurred despite the fact that there were net sales of Canadian stocks aggregating nearly \$52,000,000. United States residents

In the past X-rays have been developed after the party returned home, which meant a delay, sometimes of months, in getting sick Eskimos to hospital. This year the X-rays will be developed on the spot and Eskimos needing treatment in hospital will be evacuated immediately, travelling with the party to the nearest point from which they can be flown south.

In addition to recording vital statistics and environmental data, taking X-rays, giving immunizations and diagnosing and treating illness on the spot as well as arranging for evacuation of Eskimos who need hospitalization, the medical parties will carry out intensive health education among the Eskimos, using various visual aids.

They will carry with them filmstrips showing actual pictures of an Eskimo throughout his stay in hospital and posters on the same subject and they will distribute illustrated booklets to families. This is to allay fear and anxiety on the part of both patient and his family.

There is also a film of Eskimo patients in a sanatorium, and an effort will be made to provide photographs of patients now in hospitals for distribution to their relatives. Elementary principals of hygiene, nutrition and preventive medicine will be stressed, and reasons for all medical procedures, such as immunization, will be given each patient.

It is the aim of the Department of National Health and Welfare to contact as many as possible of the Eskimo population by this intensive survey. It is hoped to reach 80 per cent of the people.

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added \$36,000,000 to their holdings of stocks, the United Kingdom \$10,000,000, and other overseas countries \$6,000,000.

Repatriation through trading of nearly \$74,000,000 of outstanding Canadian bonds and debentures, mainly held in the United States, was also at a record level.

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Commercial failures under the provisions of the Bankruptcy and Winding Up Acts dropped to 661 in the first quarter this year from 680 in the same period of 1954 and estimated liabilities fell 11% to \$14,858,000 from \$16,760,-000.

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Boosted by substantial increases in grain, iron ore, sand and gravel, lumber and timber, and automobiles, car loadings on Canadian railways rose nearly 20% in May to 353,958 cars from 295,511 in the corresponding month last year.



CANADIAN WEEKLY BULLETIN

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WEEK'S EVENTS IN REVIEW

"DEFENCE PROGRAMME": "Canada's defence programme continues to be planned for the immediate defence of Canada, for co-operation with the United States in the joint defence of the Canada-United States region, for co-operation within the North Atlantic Treaty Organization looking towards the provision of a collective force capable of deterring aggression, and for carrying out undertakings by Canada as a member of the United Nations Organization", says a White Paper on "Canada's Defence Programme" tabled in the House of Commons on June 7.

"Canada shares with her NATO allies the firm conviction that we must do everything in our power to reduce the possibility of a third world war, and this determination is the more compelling because of the appalling destructive power of thermonuclear weapons," the White Paper proceeds. "We are convinced that the best way to avoid a war of annihilation is to make plain to any potential aggressor that collectively we have the strength to defend ourselves and that we value our freedoms sufficiently to fight for them."

"In the years since NATO was formed to ensure that the necessary collective strength would exist, it has become obvious that this strength must include not only conventional forces, trained, equipped, and in the highest possible state of operational readiness, but also thermonuclear weapons and the means of

their delivery, together with special early warning and air defence systems to protect strategic bomber bases, and civil defence preparations designed to reduce the disastrous effects of enemy air attack.

"A central problem in all current military planning is the nature of the balance to be maintained between conventional forces and weapons and those for atomic and nuclear warfare. Changes in this balance are likely to be required at times during the extended period of armed vigilance which now confronts us. In addition, appraisals of new weapons, new tactical and strategic concepts, and demands for increased mobility and flexibility of forces make it evident that changes in emphasis must be made from time to time within the defence programmes of the NATO member nations.

"Canada will continue to make such adjustments in her defence programme. Current developments in the build-up of air defences on this continent, which are changes of emphasis of this order, enable Canada to make a highly important contribution to NAIO as a whole. In co-operation with the United States we are providing additional warning networks and increasingly effective and co-ordinated air defence forces on this continent. By so doing we are of course meeting a common need for home defence, and beyond that, we are also assisting in the protection of the industrial potential of North America and the retaliatory

capacity of the U.S. Strategic Air Force, both of which are of the greatest significance to all nations in the free world in the deterrence of aggression.

"During the past year the United States has made considerable progress in the production of atomic and thermonuclear weapons. The USSR, after carrying out hydrogen bomb tests, has indicated that production of a stock-pile of nuclear bombs is underway. More recently the Government of the United Kingdom has announced its decision to proceed with the development and production of thermonuclear weapons.

"It is now clear that a single thermonuclear bomb can be made large enough to destroy a major city and all its inhabitants by direct effects of blast and heat. If such a bomb is exploded close to the ground, it also produces a vast column of radio-active fission products and particles that travel with the winds and settle over a fairly extensive area, i.e., the 'fall-out' area.

"The area immediately under such an explosion would be uninhabitable for several years owing to radio-activity. The effects of radio-activity would lessen progressively down-wind, but would be sufficiently serious to cause disability and even death among people in the open for a distance of more than one hundred miles.

EVACUATION

"Adequate preparation for evacuation and protective cover would substantially limit the number of casualties from 'fall-out'; consequently Civil Defence authorities have been giving particular attention to these aspects of the problem during the past year.

"For North America, the possibility appears for the first time of an attack that could cripple the military and industrial potential of Canada and the United States. Should we ever be attacked with thermonuclear weapons, it is plain that our immediate problem would be national survival. Everyone not directly involved in an urgent military role would immediately be caught up in the problems of rescue, rehabilitation, and the maintenance of essential service.

"In wars of the past, families, towns and even sizeable communities have been destroyed, but thermonuclear weapons confront us with the possibility that major nations and perhaps the whole of mankind might be wiped out in consequence of a future war. It becomes all the more important, therefore, that we spare no effort progressively to reduce international tension and eventually to eliminate war. At the same time we must ensure that together with our allies we have sufficient military strength to deter any potential aggressor.

"While the most effective single deterrent today is the certainty of thermonuclear retaliation, we recognize that ultimately peace must rest on more enduring foundations.

Meanwhile it is only by combining collective military strength with diplomatic action that we can hope to safeguard our freedoms while working towards a lasting solution of international problems."

Under the heading "Defence At Home" the document continues:

"The working partnership between Canada and the United States for joint defence has for some time been closely concerned with defence against air attack. The facts of strategy and geography have required that a large number of the installations for this purpose must be located on Canadian soil. By agreement certain of these installations are at present manned by U.S. personnel.

"Since the Canada-U.S. region is one of the principal strategic areas of NATO, all that has been done in continental defence here flows quite naturally from commitments made under the North Atlantic Treaty. Moreover, in any project carried out in either country, whether by Canada or by the United States, control resides with the authorities of the country in which the operations take place.

DEFENCE ECONOMICS

"In the economics of defence, as in many other fields, Canada and the United States are each other's own best customers. During the past several years reciprocal purchases have amounted to about one billion dollars, with the principal items for both countries being aircraft, electronics and communications equipment, and ammunitions and explosives. During the fiscal year 1953-54 Canadian Government expenditures on military procurement in the United States amounted to \$106,870,000, while similar expenditures by the United States in Canada totalled \$115,840,000.

"Co-operation in research and experimental projects is also a feature of Canada's special relations with the United States. For example, following the successful development by the U.S. Army of NIKE, a supersonic ground-to-air guided missile, a number of Canadian Army personnel received special training at a U.S. Army guided missile centre in Texas. In the opening months of 1955 cold weather tests of NIKE were carried out near Churchill, Manitoba, by Canadian and United States personnel."

Under "Air Defence," the Paper says:

"Nine regular squadrons and ten auxiliary squadrons of the Royal Canadian Air Force are maintained in Canada to provide fighter aircraft for interception duties. By the end of 1955 all nine regular squadrons will be completely equipped with long-range, all-weather CF-100 jet aircraft. Fighter and fighter bomber auxiliary squadrons have been equipped with a number of T-33 Silver Star aircraft for jet training purposes, and while the training of auxiliary squadron aircrew in aircraft of the more complex types necessarily takes longer than the training of aircrew for regular

squadrons, progress has been made. In addition, two auxiliary squadrons are equipped with light bombers and operate, as required, with the Mobile Striking Force."

The paper is in nine parts, devoted to "Canada and the International Outlook," "Defence at Home," "Defence Abroad," "Manpower and Training," "Conditions of Service," "Defence Research," "Equipment," "Construction" and, "Defence Appropriations."

The paragraph on manpower strength reads:

"The maximum strength of the Regular Forces has now been set at 120,000, except for a small additional percentage to allow for seasonal variations in enrolments and releases and an allowance of 3,000 for officer cadets and apprentices. Within the total figure, the maximum for each Service is: Navy 20,000; Army 49,000; Air Force 51,000."

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CAPITAL MOVEMENTS: Gross direct investment inflows continued to be large in the first quarter of 1955, although below the record level established in the previous quarter. The liquidation of important investments, however, reduced the net inflow.

Security transactions led to a relatively small inflow because heavy repatriation of bonds and debentures offset large net sales of stocks. There was a small inflow from the amortisation of loans to overseas governments. The net movement from these transactions in long-term assets and liabilities was not sufficient to meet Canada's current account deficit in the quarter.

Net inflows of direct investment capital in the quarter are tentatively estimated at \$75 million. With the exception of the third quarter of 1954, this is the lowest quarterly level of net transfers recorded since early in 1952, and represents a decline of more than 40% from the last quarter of 1954 when inflows were at a record level. Mining and petroleum investment continued to be heavy with considerable overseas participation. Flows of Canadian capital for direct investment abroad appear to have been smaller than usual and are tentatively placed at about \$5 million.

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1956 ICNAF IN HALIFAX: The International Commission for the Northwest Atlantic Fisheries in session in Ottawa decided on June 9 to hold its sixth annual meeting in Halifax in June, 1956, in keeping with its constitution which requires that its meetings be held on the North American continent.

Recommendations are being made, however, to the ten member nations of the Commission to change the constitution so that the international body might meet in other countries represented on the Commission. Member countries are Canada, Denmark, France, Iceland, Italy, Norway, Portugal, Spain, United Kingdom and the United States.

ICNAF CHAIRMAN: Captain Tavares de Almeida of Lisbon, Portuguese Commissioner, at the Fifth Annual Meeting in Ottawa of the International Commission for the Northwest Atlantic Fisheries, was elected Chairman for 1955. He succeeds Dr. Stewart Bates, Ottawa, who relinquishes the chairmanship after a two-year term.

Fishermen of ten North American and European nations operating on the rich banks off Canada's Atlantic coast will use larger mesh in trawl nets if recommendations made by the Commission are ratified by the member nations.

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ST. CROIX RIVER USE: The Department of External Affairs announced on June 11 that the Governments of the United States and Canada have agreed to ask the International Joint Commission to conduct an investigation of the St. Croix River Basin in order to determine whether greater use than is now being made of the waters of the basin would be feasible and advantageous.

Canada's chief interests in this investigation lie not only in the possibility of providing additional power from the resources of the river which forms, in part, the boundary between the Province of New Brunswick and the state of Maine, but also in rehabilitating the salmon stocks in the St. Croix River basin which at one time was one of the most important salmon producing areas on the Atlantic coast.

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VISA FEES WAIVED: The Department of External Affairs announced on June 13 that an Agreement between Canada and Japan for waiving visa fees was signed by the Secretary of State for External Affairs, Mr. L.B. Pearson, and the Ambassador of Japan, His Excellency Dr. Koto Matsudaira.

Under the Agreement, Canadian and Japanese citizens, seeking temporary entry not exceeding twelve months to Japan or Canada respectively, can be issued visas, free of charge, valid for an unlimited number of entries over a twelve-month period.

Until this Agreement comes into force on July 1, 1955, travellers between the two countries will be required as in the past to pay a fee in order to obtain visas for temporary entry.

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RECORD AUTO PRODUCTION: Canadian factories produced a record 53,279 motor vehicles in May, 4,256 more than in April and sharply above last year's May total of 38,213, according to preliminary figures released by D.B.S. This was the third successive monthly rise which more than counterbalanced decreases in both January and February. In the January-May period production rose to 224,517 units from 215,614 a year ago.

EXPORTS RISE SHARPLY: Major increases in the exports of planks and boards, newsprint paper, aluminum, copper, nickel, asbestos and petroleum and lesser gains in wood pulp, zinc and fertilizers were main factors in pushing the value of Canada's domestic exports up 15% in April to \$336,100,000 from \$292,400,000 in the corresponding month last year.

Cumulative exports for the January-April period rose 13% to \$1,287,200,000 from \$1,143,400,000. The rise in overall value in April was largely due to a 13.3% advance in volume, prices being only slightly higher.

Area totals show a particularly sharp rise in exports to the United Kingdom, substantial increases to the United States, Europe and the rest of the Commonwealth, and reduced shipments to Latin America and other foreign countries as a group.

Domestic exports to the United Kingdom in April were steeply higher in value at \$70,316,000 versus \$39,118,000 in the corresponding month last year, raising the cumulative total for the January-April period to \$253,118,000 from \$173,801,000. Most of the increase both in April and the four months appeared in the agricultural and vegetable products, wood and paper, and non-ferrous metals and products groups.

EXPORTS TO U.S.

Exports to the United States in April climbed to \$190,539,000 from \$176,746,000 a year earlier, boosting the January-April total to \$757,122,000 from \$703,280,000. Most of the increase in both periods occurred in four main groups -- wood and paper products, non-ferrous metals and products, non-metallic minerals and chemicals and allied products.

Shipments to all other Commonwealth countries were higher in value at \$20,505,000 in April versus \$18,785,000 a year earlier and \$72,540,000 in the four months versus \$56,040,000. There were larger totals in both periods for the Union of South Africa, India, and New Zealand. Australia's total was down in April but up in the four months.

Mainly as a result of a sharp drop in shipments to Brazil, the value of exports to Latin American countries as a whole dropped in April to \$12,059,000 from \$20,091,000 a year earlier and to \$50,450,000 in the four months from \$58,220,000. Sales were larger in both periods to Colombia and Mexico, and higher in the month but lower in the cumulative period to Venezuela.

Exports in April to European countries as a group moved up to \$26,622,000 from \$20,370,000 and in the four months to \$99,147,000 from \$80,187,000. Among the individual markets there were gains in both periods to France, Federal Republic of Germany, Italy, Netherlands and Norway.

WEST GERMANY AND ICNAF: West Germany may team up with a ten-nation organization working to obtain a maximum sustained yield from fishing grounds off Canadian, United States and Greenland coasts. This possibility is seen in the attendance of a West German observer at the fifth annual meeting of the International Commission for the Northwest Atlantic Fisheries now taking place in Ottawa.

Dr. J. Lundbeck, Director of the Sea Fisheries Research Institute of the West German Ministry of Food and Agriculture, said that his Government is presently considering the matter of becoming a partner in ICNAF as the result of increased interest being taken in the Northwest Atlantic fisheries.

West Germany, he said, has but limited agricultural resources and very small coastal fisheries. High sea fisheries produce about 90 per cent of the 700,000 metric tons landed annually by West German fishermen, but this is not nearly enough to meet demands. The low annual per capita consumption of fish, about 30 pounds (low by European standards) is caused by the shortage of such supplies rather than by food preference.

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SECOND IN WHEAT EXPORT: Supplies of wheat remaining on or about May 1 this year in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 1,849,600,000 bushels, about 1% less than the 1,865,000,000 available a year ago.

This year's May 1 supplies were held as follows, a year earlier totals being in brackets: United States, 1,024,900,000 bushels (945,000,000); Canada, 532,300,000 (650,300,000); Argentina, 147,000,000 (128,900,000); and Australia, 145,400,000 (140,800,000).

Total exports of wheat and flour in terms of wheat from the four major exporting countries for the first nine months of the current Canadian crop year, at 566,100,000 bushels, were some 22% greater than the shipments of 463,200,000 during the comparable period of 1953-54. Nine-month shipments from the United States were 204,000,000 bushels (146,400,000 a year earlier); Canada, 189,400,000 (197,000,000); Argentina, 102,600,000 (86,800,000); and Australia, 70,100,000 (43,000,000).

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1,456,000 of the estimated 3,734,000 households in Canada last September cooked on electric stoves, while 1,243,000 used wood or coal cookstoves or ranges, 798,000 used gas stoves, 196,000 used kerosene or oil stoves.

* * * *

Stocks of Canadian wheat in store or in transit in North America on May 25 totalled 323,292,000 bushels, about 5% less than last year's corresponding total of 341,564,000.

REDUCED DEFICIT IN INTERNATIONAL TRANSACTIONS

GOODS AND SERVICES: Canada's transactions in goods and services with other countries led to a reduced deficit of \$157 million in the first quarter of 1955, compared with a deficit of \$176 million in the first quarter of 1954, according to the Bureau's quarterly estimates of the Canadian balance of international payments.

Both merchandise exports and imports exceeded the levels of one year earlier. The increase in exports was considerably larger than that in imports, however, so that the commodity trade deficit of \$51 million in the first quarter of 1954 changed to a surplus of \$8 million in the first quarter of 1955. Two-thirds of this improvement in the trade balance however, was offset by an increase of \$40 million to \$165 million in the deficit on invisibles, mainly because of sharply increased dividend payments.

A substantial increase in the current surplus with the United Kingdom offset the effects on the current balance of an enlarged deficit with the United States and a decreased surplus with other overseas countries in the first quarter of 1955 compared to the same period of 1954.

Unlike the experience in most of 1954, the levels of both merchandise trade and other current transactions in this year's first quarter were considerably over the levels of a year earlier. During the last half of 1954 the recessionary forces in Canada and the United States were increasingly offset by expansion-

ary forces, and marked increases in economic activity occurred in both countries early in 1955.

At the same time, economic activity in the United Kingdom and other west European countries has continued at high levels. The levels of current receipts and payments have responded strongly to these changes. Export and import volume in the first quarter of 1955 exceeded the levels of one year earlier by 12% and 6%, respectively. Current receipts and payments were also higher, particularly the latter.

In the first quarter of 1955 the value of exports and imports, as adjusted for balance of payments purposes, exceeded the first quarter of 1954 by \$96 million and \$37 million, respectively. Price changes were slight when compared to the levels of the first quarter of 1954, although a further moderate deterioration in the terms of trade appears to have occurred.

There were some moderate increases in non-merchandise receipts, especially freight and miscellaneous receipts, but these were much more than offset by a considerable increase in interest and dividend payments to \$117 million from \$89 million. In addition, travel expenditures and military service expenditures rose well over the levels one year earlier.

The increase in net income payments of \$29 million was virtually all due to higher dividend payments to parent companies abroad, with the other components of this account showing little change.

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WOULD WELCOME CHANCELLOR: Asked in the House of Commons by Mr. George Hees (PC-Broadview) on June 13, if Chancellor Adenauer has been invited to come to Canada on his current visit to the continent, the Secretary of State for External Affairs, Mr. L.B. Pearson, replied:

"No, Mr. Speaker, he has not. He is coming to the United States, I understand, to get a degree from Harvard University, and then is spending a very short time in Washington and New York before returning to Germany. In the circumstances he has not been invited to come to Canada, although I am sure we would all be very glad to see Chancellor Adenauer here at any time."

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55 out of every 100 Canadian households had an automobile last September, and 9% of these had two or more.

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64% of the homes in Canada last September had hot and cold water installed.

ARCTIC TRANSPORT: More than 100,000 miles of hazardous, ice-strewn waters will be navigated this summer to service Arctic and sub-Arctic outposts, the Minister of Transport, Mr. George C. Marler, has announced. Two major expeditions, the Eastern Arctic Patrol and the supplying of the joint Canadian-U.S. Arctic weather stations, will involve four Transport Department vessels, a chartered freighter, tanker and about 400 men, including a special shore transport party of 50 Montreal stevedores.

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Canadian shipments of household electric refrigerators increased to 30,179 in April and 94,604 in the first four months from 27,306 and 90,906 in the corresponding period last year.

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At the end of 1953 Canada had 37 petroleum refineries with a daily capacity of 509,300 barrels of crude oil as compared with 34 with a capacity of 448,400 barrels per day at the end of 1952.

CANADA FOURTH IN TRADE: For the first time since World War II Canada's exports and imports were lower in 1954 both in value and volume than those recorded during the preceding year, but still remained large in comparison with other peacetime years, states the Review of Foreign Trade for 1954 released June 10 by the Dominion Bureau of Statistics. The decline last year was more pronounced for imports than exports and produced a smaller passive trade balance than in 1953.

Total exports in 1954 at \$3,946,900,000 were 5.4% lower in value than in 1953 as well as below the record value for 1952 and slightly under the 1951 figure, but 25% above the 1950 value. The volume of exports, however, was exceeded only during 1953 and 1952, the decline from these two years amounting to 3.3% and 4.6%, respectively. Compared with 1950, the 1954 volume was 17% greater.

Imports last year were valued at \$4,093,-200,000, down 6.6% from the all-time high reached in 1953 but above the preceding years and showing a gain of 28.9% over 1950. In volume, 1954 imports were 6.6% less than in 1953 but greater than previous years with a rise of 29.1% over 1950.

EXPORT PRICES

Export prices in 1954 were a little less than 3% below those prevailing during 1953, while import prices remained almost constant. The movement of prices, though small, was chiefly responsible for a continued import balance on trade last year. This amounted to \$146,300,000 as compared to \$210,200,000 in 1953.

The net decline in exports last year, the Review states, can be largely attributed to lower exports of two commodities, wheat and motor vehicles. These commodities are primarily shipped to overseas markets, and their decline was partly offset by larger shipments of industrial materials to increasingly prosperous European and other overseas markets.

Exports to the United States were lower principally due to smaller shipments of coarse grains and industrial materials.

Some trends significant for future years began to show in the 1954 trade statistics. The first shipments of iron ore from Labrador and of aluminum from Kitimat left the country in the latter part of the year, and crude petroleum began to be exported on the Pacific coast.

Imports of coal and petroleum products from the United States continued to decline. Coal is being increasingly displaced by petroleum fuels in Canada, and United States crude petroleum by the production of western Canadian wells.

One of the world's chief trading nations in spite of a relatively small population,

Canada ranked fourth in 1954 in the value of exports, imports and total trade, the Federal Republic of Germany regaining Germany's pre-war position of third place. While complete data are not yet available, it appears that Canada ranked second in per capita trade during the year, with New Zealand regaining first place.

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CONTINENT-WIDE CD TEST: Civil defence authorities across Canada and the United States began a continent-wide communications exercise on June 15 to test operational procedures with provincial control centres and the Federal Civil Defence Control Centre of the United States at Battle Creek, Mich. Dubbed "Operation Alert II", the exercise is a follow-up of a similar test held last June on a joint participation basis.

The federal Civil Defence College at Arnprior, Ont., is the nerve-centre for Canadian operations where Civil Defence authorities will be on 30-hour duty observing the various technical aspects of the exercise. Main points of interest will be the evaluation of operational procedures, determining the accuracy of resources surveys and training control centre personnel at all levels.

Unlike the previous exercise, when specific centres across Canada knew beforehand that they were going to be "hit" by a mythical atomic bomb, June 15 target areas were not disclosed by C.D. authorities.

All Canadian provinces, except Quebec and Prince Edward Island, are participating in this exercise. While several centres across the country were to be subjected to hypothetical attack, they were not informed of the actual time of the strike, the type and size of weapon or the resulting damage.

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DR. S.A. BEATTY TO FAO: Dr. S.A. Beatty, Director of the Atlantic Fisheries Experimental Station at Halifax, N.S., has been given an appointment with the Food and Agriculture Organization of the United Nations in Brazil. Dr. Beatty will serve on a technical assistance mission of the FAO to the Government of Brazil.

Dr. Beatty's service will consist of advising and assisting the Brazilian Central Government and state governments on a programme of work for their research laboratories in which problems of handling, processing, storage and distribution of fishery products will be studied.

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Last year's commercial pack of apples and apple products was up sharply from 1953. The pack of canned apples rose to 306,173 dozen containers from 197,465 and the net weight of contents to 18,316,991 pounds from 11,149,-623.



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WEEK'S EVENTS IN REVIEW

"GOOD NEIGHBOURHOOD": Common defence requires the greatest possible co-ordination and unity of foreign and economic policies, which means that a boundary line cannot be ignored for defence purposes and recognized as a very real obstacle every time more exports wish to cross it, said the Secretary of State for External Affairs, Mr. L.B. Pearson, before the Golden Jubilee Convention of Rotary International, at Chicago, on June 1.

Taking as his subject, "Good Neighbourhood", Mr. Pearson complimented Rotary on its principles and policies, discussed the need for the extension of the boundaries of good neighbourhood and touched on approaching Four Power meetings "at the summit" and said the talks ahead were only a beginning, not an end. So that if there were proposals from the other side which seemed to promise an easing of tension he hoped they would not be rejected but tested, explored and made the most of.

After dealing at length with Canada-United States relations, which had included lots of trouble in the past, but through good sense and generosity had moved from "guns across the border" to "hands - and cars - across the border," he concluded with a discussion of hemisphere defence and trade, in part, as follows:

"In the field of hemisphere defence we have had - and will have - great and complicated problems to face. We know that this continent must be defended as a whole or lost as a whole.

The implications of this for Canada have been particularly weighty. We have primary responsibility for the defence of a vast area. We have limited financial and human resources at our disposal for that purpose. Many of the northern defence projects which now have to be undertaken would not be practicable if we had to do them on our own; or possibly even necessary if we were geographically more remote from you, instead of being as we are, a northern buffer between the United States and the great land mass of Soviet Russia. These projects have become essential in the common defence. But if they must be undertaken on our soil, our rights, as well as our responsibilities must be preserved.

"All this makes necessary the closest possible kind of friendly and careful co-operation. It requires on the part of the vastly more powerful partner an appreciation of the status - and even the sensibilities - of the smaller. It requires on Canada's part an awareness of the whole global picture; an understanding of the world power and world responsibilities of the United States, which remains our surest shield against aggression until the cold war can be transformed into a warm and secure peace."

"I am very happy to state here that these joint continental defence policies are being carried out in a way which reflects the very best in our good neighbourhood. It is something in which we can take great pride on both

sides of the border. It is a fine example of partnership, made all the more impressive by the fact that while both countries are taking on new obligations for continental defence - which is part of the common defence - and sharing the cost, we are also maintaining forces in the European sector of that common front. For my country, this involves an army brigade group, many warships, and an air division of jet fighters. A two-front peace-time effort of this kind is no inconsiderable burden for a country of 16 million people and explains why a young country, sparsely populated, with terrific problems of development at home, devotes between 40 and 45% of our budget to defence.

TRADE AND COMMERCE

"While we can be satisfied with our record of co-operation in defence, we in Canada are somewhat less happy about co-operation in trade and commerce. The reason is simple. Our population, less than one tenth of yours, buys nearly \$3 billion worth of American goods (incidentally, much more than the whole of South America). But your 165 millions bought only \$2 1/3 billion worth of goods. When we make an effort to redress the balance by increasing our exports, especially of agricultural and fisheries and other primary products, the clamour for protection against any success that this effort may achieve grows in Washington and we are in trouble, so trade problems are increasing between us, as indeed they are throughout the world. I would be less than frank if I did not add that Canadian worries and occasional irritations on this score are also increasing.

"We should realize in all our countries, and act on the realization, that common defence requires the greatest possible co-ordination and unity of foreign and economic policies. This means that a boundary line cannot be ignored for defence purposes and recognized as a very real obstacle every time more exports wish to cross it. If I may adopt a well-known quotation, 'If guns are to cross boundaries, goods should too.'

"On this occasion, however, I prefer to emphasize not our problems, but the deep and genuine cordiality and closeness of this neighbourhood, this U.S.-Canadian partnership. I devoutly hope that such a relationship can be extended over a larger and larger area; and I am encouraged, as you are, by the progress that has been made in this direction through such international agencies as the Organization of the American States, the Commonwealth of Nations and NATO.

"One day, please God, with the help of our world organization, the United Nations, we can move forward to this kind of neighbourliness on a global scale. Then indeed peace, deep and genuine, will have been assured."

10-NATION FISHERIES TALKS: A full week of concentrated study and discussion of the fishery resources off North American and Greenland coasts is blueprinted in the agenda adopted by the ten-member International Commission for Northwest Atlantic Fisheries, holding its fifth annual meeting in Ottawa.

The Prime Minister, Mr. L. S. St. Laurent, addressed the gathering June 6.

Voluminous research and statistical data amassed during the past year by scientists and other fishery specialists of the participating nations will be considered in detail at committee and panel meetings prior to being placed before plenary sessions.

All countries making up the Commission take part in an integrated research programme. They are: Canada, Denmark, France, Iceland, Italy, Norway, Portugal, Spain, United Kingdom, and United States.

Acting as a single team the scientists of these countries carry out detailed investigations designed to achieve maximum sustained yield from the vast fisheries resources of the northwest Atlantic waters.

The Convention Area takes in the prolific fishing grounds, excepting territorial waters, from Rhode Island in the south to the west coast of Greenland, and east to the 42nd meridianal.

The meeting opened on June 6 with a plenary session in the Railway Committee Room of the House of Commons with the Commission Chairman, Dr. Stewart Bates of Canada, presiding. Delegates were officially welcomed by Prime Minister Louis St. Laurent, who was introduced by the Honourable James Sinclair, Minister of Fisheries.

Following the opening plenary session in the Railway Committee Room the session continued as a closed meeting in the Convention Hall of the Chateau Laurier. A special welcome was extended by the Chairman to Dr. G.L. Kesteven, of the Food and Agricultural Organization of the United Nations, Rome, Italy, and Mr. D.Y. Lundbeck, Institute of Sea Fisheries, Hamburg, West Germany, who are attending as observers.

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APRIL SURPLUS: For April, the first month of the current fiscal year, the Government's budgetary revenues amounted to \$229 million or \$16.4 million less than last year, while expenditures were \$196.5 million or \$19.3 million less than a year ago. The budgetary surplus for April was \$32.5 million compared with \$29.6 million for April, 1954, the Minister of Finance, Mr. Walter Harris, announced on June 4.

Operations of the Old Age Security Fund, which are not included in budgetary transactions, resulted in a deficit of \$8.6 million for April, 1955, which was covered by a temporary loan by the Minister under the terms of the Old Age Security Act. For April, 1954, the deficit was \$7.5 million.

TRADE PACT WITH ETHIOPIA: The Minister of Trade and Commerce, Mr. C.D. Howe, has announced the conclusion of a commercial modus vivendi between Canada and Ethiopia effective June 3. The Agreement was concluded in Addis Ababa by an Exchange of Notes.

This is the first trade agreement between Canada and Ethiopia. It will make a significant contribution toward strengthening the already close and friendly relations between the two countries.

The agreement provides for the exchange of most-favoured-nation treatment as regards customs duties and other charges and all regulations affecting trade. As a result, Canadian goods entering Ethiopia will not be subject to higher rates of duty or more stringent regulations than goods originating in other countries. Ethiopian products, formerly subject to the general rates of the Canadian Tariff, will now be accorded Canada's most-favoured-nation rates of duty.

With the suspension of Ethiopian restrictions on imports, Canada's trade with Ethiopia more than doubled. Canadian exports to Ethiopia increased from \$55 thousand in 1953 to \$118 thousand in 1954. Imports into Canada from Ethiopia rose from \$44 thousand in 1953 to \$98 thousand in 1954.

Coffee is Canada's principal import from Ethiopia. Imports of coffee from Ethiopia will now enter Canada at the most-favoured-nation rate of 2 cents a pound; formerly it entered under the General Tariff at a rate of 5 cents a pound.

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TO UN SPECIAL MEETING: The Department of External Affairs announced on June 7 that the Secretary of State for External Affairs, Mr. Lester B. Pearson, and the Canadian Permanent Representative to the United Nations in New York, Mr. David Johnson, will represent Canada at the special meeting of the United Nations to be held in San Francisco for the purpose of commemorating the signing of the United Nations Charter on June 26, 1945.

To date, the Foreign Ministers of 35 member states, including France, the United Kingdom, the Union of Soviet Socialist Republics and the United States of America have accepted invitations sent out by the Secretary-General, Mr. Dag Hammarskjöld, in accordance with a resolution adopted by the General Assembly last December at its ninth session, which called for an appropriate commemoration of the Tenth Anniversary.

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Canada's production of leaf tobacco in the crop year ending September 30, 1954 amounted to 184,763,000 pounds, approximately 45,000,000 larger than the preceding year's 139,190,000 pounds. Growers received \$77,788,000 for the 1954 crop, \$18,171,000 more than in 1953.

APPRENTICESHIP PLAN: A federal-provincial experiment in the field of apprenticeship presently underway may turn out to be a major advance in the direction of uniformity of provincial apprenticeship training in Canada, according to the Minister of Labour, Mr. Milton F. Gregg.

Mr. Gregg announced on June 6 that for the first time in Canada a six weeks' course in training, uniform for teachers of apprenticeship trades from different parts of Canada, was begun at the College of Education in Toronto about the middle of May.

The purpose of the course, which was organized by the Training Branch of the Federal Labour Department in cooperation with provincial governments, is to help standardize apprenticeship teaching methods and assist in making the content of provincial apprenticeship courses more uniform.

For years it has been the hope of many officials in the field of apprenticeship that training standards might be made uniform throughout all Canadian provinces.

Six provinces, Alberta, Manitoba, Saskatchewan, New Brunswick, Nova Scotia and Newfoundland, sent a total of 18 candidates. In addition, 15 candidates from the armed services are taking the course, five each from the Navy, Army and Air Force.

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ATOMIC POWER PLANT: In the House of Commons on June 6, the Minister of Trade and Commerce, Mr. C.D. Howe, confirmed earlier report that Canada's projected atomic power plant is to be built in the vicinity of the Des Joachims power installation on the Ottawa River.

Asked by Mr. Howard C. Green (PC-Vancouver Quadra) what amount of money would be spent by the Dominion Government on the plant, and whether any other nuclear power stations were under contemplation, Mr. Howe replied:

Mr. Howe: "I shall answer the last question first. This is a demonstration power station in which all power authorities throughout Canada, both public and private, have been asked to give their co-operation, and they are doing so as to design and structural detail. Participation in this project will be the Government's contribution to the power industry, as far as the introduction of nuclear power is concerned. As I recall the arrangement, the Government is doing the nuclear part of the installation only, aided by some financial contribution from the contractor. I believe our contribution lies between \$7 million and \$8 million, spread over a period."

Mr. Green: "About half the total cost?"

Mr. Howe: "About that,"

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The consumer price index moved from 116.1 to 116.4 between April 1 and May 2.

EMPLOYMENT: Industrial employment showed a minor decline at March 1 when the index, at 105.6 on the 1949 base, was 0.2 points lower than a month earlier. The slight easing was seasonal, the trend having been downward at March 1 in each of the post-war years except 1952.

The latest index was a little below the figures for March 1, 1952-54, but was otherwise the highest in the record for that date. The falling-off in the 12 months amounted to 0.9%.

The loss at the beginning of March as compared with a month earlier took place among men, there being practically no change in the reported number of women. In the last 12 months, employment for men has fallen by 1.2% and for women by 0.2%.

In spite of the small general reduction in employment, the weekly wages and salaries at March 1 were higher by 1.1% than in the week of February 1, establishing a new peak for the time of year. The per capita earnings, at \$60.89, were the highest in the record.

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WAGES AT PEAK: Average hourly and weekly earnings of wage-earners in manufacturing reached new peaks of 143.5 cents and \$59.12, respectively, in the week ending March 1, advance figures show. The length of the average work week, at 41.2 hours, was 0.2 hours longer than at February 1.

Hourly earnings in the durable goods division of manufacturing rose by 1.2 cents to 155 cents, largely due to the settlement of major labour-management disputes in the transportation equipment industries, together with increased activity in the same group and in agricultural implements, iron and steel and some other industries.

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AID FOR ALLIES: Additional quantities of Canadian military supplies will be shipped to four NATO countries in the next two weeks under Canada's programme of mutual aid to members of the North Atlantic Treaty Organization.

The shipments include artillery equipment and ammunition for Turkey, hand grenades for Italy, artillery ammunition for the United Kingdom and a quantity of 2-inch mortars for France.

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CADETS TO BISLEY: Ten selected Royal Canadian Army Cadets will sail from Montreal in mid-June bound for the United Kingdom and the 1955 National Rifle Association annual meet at Bisley. They will compete in the famed rifle matches with cadet teams from the United Kingdom and other parts of the Commonwealth and Empire.

SECURITY PRICE RISE: Following the pattern established in April, common stock prices continued to forge ahead in May. Between the weeks of April 28 and May 26, the investors' index moved from 217.5 to 226.7 for a gain of 4.2%. Over the same period the group index moved from 217.5 to 226.7 for a gain of 4.2%. Over the same period the group index for 78 industrials moved up 4.3% to 233.1, while 14 utilities advanced 5.3% to 195.2 and 7 banks 0.6% to 234.6. All except three sub-groups increased.

Mining stocks also were firmer in May due mainly to strength in base metal issues. The composite index for 27 issues changed from 110.6 to 114.8 between April 28 and May 26, while five base metals advanced from 119.4 to 212.0. Golds advanced moderately from 71.8 to 72.4.

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IMPROVED CROP OUTLOOK: The general crop outlook has improved considerably over most areas of the Prairie Provinces recently, according to a report released June 1.

Good progress has been made with wheat seeding, operations being practically completed in Manitoba, western Saskatchewan and in Alberta except for foothill sections.

A considerable advance was made in northern, central and eastern districts of Saskatchewan during the past weeks.

The situation is still serious in flooded areas, however, and may cause a reduction in total crop area. Seeding of coarse grains has also advanced rapidly but a considerable acreage remains to be sown.

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PETROLEUM RISE: Canadian production of crude petroleum continued to climb in February, the month's output rising to 9,108,367 barrels from 7,616,939 a year earlier. This followed a gain in January to 9,956,076 barrels from 8,014,161, and the cumulative output for January and February rose to 19,064,443 barrels from 15,631,100.

Natural gas output increased to 14,137,508 M cubic feet from 11,217,728 a year earlier.

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Canada's index number of farm prices of agricultural products moved up in April to 228.6, seven points above the revised March figure of 221.6. The index is also at its highest level since last September when it stood at 228.3.

* * * *

Railway carloadings in the third week of May totalled 85,198 cars, up 16.7% from last year's corresponding total of 73,018. This brought cumulative loadings from the beginning of the year to May 21 to 1,406,414 cars, up 5.4% from 1,334,781 a year earlier.

CANADA PROTESTS U.S. DUTIES ON HARDBOARD

TEXT OF NOTE: The Minister of Trade and Commerce, Mr. C.D. Howe, announced in the House of Commons on June 6 that Canada had protested to the United States Government the proposed increase in duties on hardboard.

He said:

"Mr. Speaker, I wish to inform Hon. Members that an official note was delivered to the United States Government on June 1 on the subject of the United States tariff on a product of the pulp and paper industry which is known as hardboard.

"Last week the Canadian Ambassador in Washington made various official calls to express the concern felt here about a bill now before Congress which would increase the duties on hardboard.

"The text of the Canadian Government's note is as follows:

"The Government wishes to draw to the attention of the United States Government the serious concern which is felt about a proposal to increase substantially the United States duty on imported hardboard. This proposal is understood to have been included by the Senate Finance Committee as a rider in a bill HR 5559, 'to make permanent the existing privilege of free importation of gifts from members of the armed forces on duty abroad.' The United States hardboard industry has recently been investigated by the United States Tariff Commission and the resulting report is not such as to support increased tariff protection. It is hoped, therefore, that strong efforts will be made, within the United States Government, to defeat this present measure which would have damaging effects upon the trade of other countries, including Canada, and damaging repercussions upon the attitudes of other countries in their trade relations with the United States.

"It will be recalled that the Canadian Government made representations to the United States Government in a note of July 19, 1954, on the previous occasion when this measure on hardboard was before Congress. The Canadian Government drew attention in that note to the fact that tariff paragraph 1413, under which hardboard is imported into the United States, was negotiated with Canada and is bound by trade agreement.

"To make brief reference to the events which have ensued, on August 9, 1954, the Senate Finance Committee directed the United States Tariff Commission to make an investigation of the hardboard industry and of the import classification of hardboard. In its report the Tariff Commission dealt only with the technical question of the classification of hardboard

and it found hardboard to be a distinctive article of commerce of sufficient importance to justify specific enumeration thereof in the tariff schedules. In the majority findings, it was made clear that the Tariff Commission had not been asked to investigate the rate of duty appropriate to hardboard nor did it make any recommendations regarding the tariff rates themselves. The minority findings went further to say that 'no information which they obtained in the course of the Commission's investigation, indicates a need for revising those rates at this time'. In the statement of findings of the commission it was said, 'The domestic hardboard industry thus far has not invoked the escape clause procedure or otherwise claimed to be seriously injured or to be threatened with serious injury as a consequence of increased imports of hardboard'.

"In summary, while some support was given to the idea of a technical reclassification of the item of hardboard, there was no support whatsoever for increased duties, nor does a careful study of the report show any justification for increased duties.

"Representatives of the Canadian industry affected went to Washington to appear at the hearings which were arranged by the Tariff Commission. The Commission made exhaustive studies and took evidence representing different points of view. When the Tariff Commission report was published, the Canadian Government felt this matter to have been disposed of after a fair and exhaustive study..

"Hardboard manufacturers have evidently been expanding in the United States and doing well. According to the report of 11 domestic plants producing hardboard in 1954, two of them commenced operation in 1954, two in 1953, one in 1952 and one in 1951. According to the figures of the Tariff Commission, almost half of the rated capacity of the industry in 1954 has been constructed since 1947. The Tariff Commission report indicated in addition that four or five hardboard mills were being planned at the time, with one actually under construction, and another to be started shortly.

"With production and consumption rapidly increasing in the United States, and with imports still accounting for a very small percentage of domestic production, it is difficult to see any need for increased tariff protection. If this new rider, which has been attached to the bill, 'to make permanent the existing privilege of free importation of gifts from members of the armed forces on duty abroad', were to become law, it would be quite contradictory to the spirit and intentions of the General Agreement on Tariffs and Trade

which governs trade relations between Canada and the United States.

"The Canadian Government has on several occasions made clear the concern which is felt about the widening scope of escape clause procedures in the United States. Moreover, in this case, action is being proposed which is entirely outside the procedures which have been established."

* * *

INDUSTRIAL PRODUCTION UP: Canada's composite index of industrial production for March, according to preliminary figures stood at 250.6, which is 5.8% above the March 1954 index of 236.8.

The manufacturing component of the index rose slightly over 3% as compared with last March, from 249.9 to 258.0. The index of mineral production, however, advanced nearly 19% in this comparison from 171.1 to 203.5. The sub-index measuring output of electricity and gas stood at 281.4 in March, over 12% higher than a year earlier.

The index of non-durable manufactures, at 220.9, was nearly 3% above the previous March's 214.6. Output in the textiles and rubber products groups increased by 17% and 13% respectively in this comparison.

In the durable manufactures field, the composite index for March stood at 316.0, 3.6% above last March's index of 305.1.

For the first three months of 1955, the index of industrial production averaged 245.5, a rise of 4.4% over the corresponding 1954 figure of 235.1.

* * *

IRON ORE RISE: Iron ore shipments from Canadian mines jumped 50% in April as compared with a year earlier, DBS reports. This followed a smaller rise in March and decreases in both January and February. April's total rose to 199,478 tons from 132,950 a year ago, bringing cumulative shipments for the January-April period to 485,716 tons versus 549,284.

* * *

Boosted by substantial gains in aviation gasoline, motor gasoline, aviation turbine fuel, stove oil and furnace fuel oil, the value of shipments by Canada's petroleum products industry in 1953 climbed to a new high record value of \$694,988,605 from the preceding year's \$660,356,584.

* * *

The total value of all shipments of Canada's flour milling industry in 1953 amounted to \$256,430,548.

* * *

Farm value of Canada's commercial fruit production in 1954 was \$48,700,000, an increase of \$1,500,000 over 1953.

"NIKE" TESTS IN SUB-ARCTIC: The six-month period ending in March, 1955, saw trials by Canadian Army personnel on the US "NIKE" - a guided missile that can locate and destroy enemy aircraft by means of an electronic "brain" regardless of evasive action. Army Headquarters announced in a statement of June 8.

Named for the Winged Goddess of Victory in Greek mythology, the Nike underwent rigorous tests in Canada's sub-Arctic just a few miles from Churchill, Manitoba.

A 44-man, US-trained team of Royal Canadian Artillery personnel headed by Col. H. E. Brown, DSO, OBE, ED, of the Royal Canadian School of Artillery, Shilo, Man., conducted the tests with the assistance of a five-man team from the Royal Canadian Electrical and Mechanical Engineers. Canadian and US military and civilian observers were also present.

Tests were aimed at determining the performance of the Nike system at low temperatures and what modification or adaption kits might be necessary for its operation under Arctic weather conditions.

The Nike surface to air missile (SAM) had previously undergone extensive tests in New Mexico's White Sands Proving Grounds. Successes there had revealed it as an effective weapon of its kind, but it remained to be seen how the many delicate instruments involved would react under cold weather conditions.

INDOCTRINATION

November and December of last year were devoted to Arctic indoctrination for personnel and the setting up and elementary testing of equipment. The trials themselves were undertaken early in the new year.

Test schedules included the taking into and out of action the heavy equipments involved; preparation of the launching site and machinery, and tests to determine the time and degree of accuracy with which critical procedures and adjustments could be carried out on radar equipment.

Roadability of Nike equipment was also under observation, and finally, the effectiveness of the weapon itself.

The "command" type of guidance employed in the Nike utilizes two radar tracking devices and a computer. These delicate instruments reacted well in extreme cold. Launcher and missile could be put into action quickly.

Valuable lessons were learned, and the tests were eminently successful in that they provided the answers to many problems concerning effective operation under Arctic conditions.

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

Vol. 10 No. 31

June 3, 1955

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WEEK'S EVENTS IN REVIEW

APRIL EXPORTS UP 14.6%: Canada's foreign commodity trade again moved upward in April, with exports showing a bigger advance over last year than imports, according to preliminary figures for the month released by the Dominion Bureau of Statistics. Both exports and imports were also above corresponding 1954 levels in each of the previous three months, the gains in exports exceeding those in imports.

Total exports rose 14.6% in April to \$341,900,000 from \$298,200,000 in April last year to reach the highest level for the month since 1952. Most of the gain in value was in shipments to the United Kingdom and the United States, exports to other Commonwealth countries showing a slight rise and those to other foreign countries a small decline.

Commodity imports in the month increased 9.9% to \$382,900,000 from \$348,500,000, larger purchases from the United States accounting for most of the gain. Imports were down slightly from the United Kingdom and up moderately in totals from other Commonwealth and other foreign countries.

Net result on the month's total trade was an import balance of \$41,000,000 compared to \$50,300,000 for April last year.

In the four months ending April, exports totalled \$1,308,300,000, up 12.4% over \$1,164,400,000 last year, and imports aggregated \$1,373,600,000 for a gain of 7.8% over \$1,274,300,000. The bigger jump in exports than

imports reduced the import surplus for the period to \$65,300,000 from \$109,900,000 last year.

Total exports were higher in the four months to the United Kingdom, other Commonwealth countries and the United States, but lower to the remaining foreign countries as a whole, while imports were up in value from all except the United Kingdom.

April shipments to the United Kingdom jumped sharply in value to \$71,800,000 compared to \$39,400,000 a year earlier, bringing the four-month total to \$255,600,000 against \$175,400,000. Purchases from the United Kingdom in the month were down slightly to \$33,800,000 from \$35,300,000, lowering the January-April total to \$119,200,000 from \$123,500,000. For the month the export surplus rose to \$38,000,000 from \$4,200,000 last year, and for the four months climbed to \$136,400,000 from \$51,900,000.

Exports to other Commonwealth countries advanced in April to \$20,500,000 from \$18,900,000 a year ago, raising the four-month aggregate to \$73,000,000 compared to \$56,500,000. Imports from these countries moved upward in the month to \$18,300,000 from \$14,800,000 and in the four months amounted to \$54,600,000 against \$43,700,000.

Commodity shipments to the United States increased to \$194,300,000 from \$181,900,000, while imports from the United States rose more sharply to \$285,500,000 from \$255,700,000, the

(C.W.B. June 3, 1955)

month's import surplus thus rising to \$91,-200,000 against \$74,100,000 last year. In the four months ending April, exports to the United States totalled \$773,800,000 against \$719,-000,000 last year, and imports \$1,031,200,000 compared to \$945,800,000, making a cumulative import surplus at the end of April of \$257,-400,000 compared to \$226,800,000

Exports to all foreign countries other than the United States declined in April to \$55,-300,000 from \$58,000,000 a year earlier, the four-month aggregate falling slightly more to \$205,900,000 against \$213,500,000. Imports from these countries, on the other hand, moved up in the month to \$45,300,000 from \$42,700,-000, and in the four months amounted to \$168,-600,000 against \$161,300,000

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10-NATION CONVENTION: Ottawa will be host all next week to the fifth annual meeting of the ten-nation International Commission for the Northwest Atlantic Fisheries, guardian of the sea resources of the international waters covered by the convention which brought it into being.

The Prime Minister, Mr. Louis S. St. Laurent will welcome the delegates at the first plenary session June 6. This session will also be addressed by Fisheries Minister James Sinclair.

The International Commission for the Northwest Atlantic Fisheries is one of several international fisheries bodies on which Canada is represented. Others include the International North Pacific Fisheries Commission, the International Pacific Salmon Fisheries Commission, the International Pacific Halibut Commission, and the International Whaling Commission, a 17-nation body which sets catch quotas and determines the methods by which whales can be killed.

Canada also participates with the United States in the Alaska Fur Seal Agreement, one of the oldest international conventions on resources of the sea, which preserves and protects the valuable Pribilof seals in the Bering Sea.

The International Commission for the Northwest Atlantic Fisheries is not a regulatory body, but, on the basis of its fisheries research programme, can make recommendations for fishery regulations to member Governments.

Members of the Commission are Canada, Denmark, France, Iceland, Italy, Norway, Portugal, Spain, the United Kingdom and the United States.

* * * *

Canada's aircraft and parts industry turned out \$398,744,272 worth of products in 1953 as compared with \$244,607,320 worth in 1952, an increase of 63%, according to the annual industry report by DBS. The number of plants in the industry increased to 43 from 48, employees by 14% to 38,048, the payroll by 31% to \$142,-375,699.

DIPLOMATIC SERVICE: The secretary of State for External Affairs on June 1 announced the retirement, early in July, of Major General, the Honourable L. R. LaFlèche, Canadian Ambassador to Argentina and Uruguay, and the following transfers within the Canadian Diplomatic Service:

Dr. R. A. MacKay, Associate Under-Secretary of State for External Affairs, will succeed Mr. D. M. Johnson as Canadian Permanent Representative to the United Nations, New York, effective August 1. Dr. MacKay will hold the rank of Ambassador. Mr. Johnson will be transferred to another diplomatic post which will be announced later.

Mr. W. D. Matthews, Canadian Minister to Sweden and Finland, will return to Ottawa to become an Assistant Under-Secretary of State for External Affairs. He will assume his new duties in September. An announcement will be made later regarding Mr. Matthews' successor.

Mr. Benjamin Rogers has been appointed Canadian Ambassador to Peru to succeed Mr. Emile Vaillancourt whose retirement from the Service was announced on March 7, 1955. Mr. Rogers is expected to take up his post in July.

Mr. W. G. Stark has been appointed Consul General in New Orleans and is expected to assume his new duties on September 1. He succeeds Mr. G. A. Newman whose next assignment is to be announced shortly by the Department of Trade and Commerce.

Mr. H. L. E. Priestman has been appointed Consul General in Manila and is expected to take up his post about September 1. He succeeds Mr. F. J. Palmer whose appointment as Consul General in Chicago was announced on February 16.

* * * *

DR. ERHARD'S VISIT: The Federal German Minister for Economic Affairs, Dr. Ludwig Erhard, arrived in Ottawa June 1, for a two-day visit. Earlier in the week Dr. Erhard officiated at the opening of the Canadian International Trade Fair in Toronto.

Following his stay in Ottawa, Dr. Erhard was to visit Montreal; Arvida, where he will tour the plant of the Aluminum Company of Canada; and Quebec City. On June 5, he was to leave Montreal for Washington, D.C.

While in Ottawa Dr. Erhard met with members of the Government and consulted with economic experts.

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Fewer initial and renewal claims for unemployment insurance benefits were received in local offices across Canada in April, totalling 154,260 versus 243,544 in March and 158,-411 in the corresponding month last year.

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Railway car loadings in the second week of May totalled 81,495 cars, up 16.8% from last year's corresponding total of 69,748 cars.

HELICOPTER HUNT FOR ARCTIC OIL, GAS

"OPERATION FRANKLIN": Helicopter reconnaissance of the geology of the Queen Elizabeth islands in Canada's Far North will head the list of projects undertaken this year by the Geological Survey of Canada, the Minister of Mines and Technical Surveys, Mr. George Prudham, announced June 1.

"Operation Franklin", largest of its kind ever attempted, will employ 7 departmental geologists, 4 seasonal geologists, and 10 geologically trained student assistants in the reconnaissance mapping of 120,000 square miles of land on the Queen Elizabeth islands in the District of Franklin. The party will examine the main geological zones of the islands and investigate the geology of the structures for possibilities of mineral occurrences, particularly oil and gas.

From the main base at Resolute Northwest Territories, subsidiary field bases will be set up from which 2 helicopters will operate throughout the season, commencing at bases east of Resolute and moving northward and then westward as the sea-ice breaks up. The bases have been carefully selected so that the helicopters will not have to operate over open water. The entire project will be airborne, with supplies and personnel already moving in by transport plane to take advantage of the sea-ice for landing.

Another helicopter project, "Operation Thelon", will continue the Department's air reconnaissance policy and will employ 5 geologists to carry out mapping over 60,000 square miles of Northwest Territories in the southeast part of the District of Mackenzie.

* * * *

ICAO CONGRATULATED: "I consider it a direct tribute to the efforts of the International Civil Aviation Organization (ICAO) that international civil aviation has succeeded so well in meeting the demands upon it and while expanding at a truly impressive rate, has steadily become more safe and more regular." So stated the Minister of Transport, Mr. George Marler in opening the Ninth Session of ICAO at its headquarters at International Aviation Building in Montreal on May 31.

The Minister pointed out that ICAO's success "has demonstrated in a striking fashion what may be done when nations, moved by a spirit of co-operation, come together freely to settle and regulate matters of common interest. I think that all member States may legitimately feel a sense of pride and satisfaction in what ICAO has achieved."

* * * *

Mount Jacques Cartier, on the Gaspé Peninsula of Quebec, rises to a height of 4,160 feet.

To supplement these operations the Department will run an exploratory aeromagnetic survey of the Queen Elizabeth islands from a base at Resolute and, from a base at Beavertown, Saskatchewan, will carry out a systematic aeromagnetic survey of approximately 16,000 square miles in the southeast area of the District of Mackenzie.

Although fewer parties will be placed in the field this year, the increased use of aircraft will result in the coverage of an area greatly exceeding that of any previous year, and will almost complete the geological reconnaissance of the Canadian Shield in the Northwest Territories south of latitude 66°.

Six parties will carry out detailed mapping and studies of radio-active mineral areas in Northwest Territories, Saskatchewan and Ontario; two will examine and map coal areas of British Columbia, Northwest Territories, Alberta and Saskatchewan.

Six parties will collect oil well data and will map and examine structures of possible oil and gas areas in British Columbia, Alberta and Ontario; and two will map and study the 'Labrador Trough' that comprises the Labrador-New Quebec belt of iron-bearing rocks.

Twenty-two parties will work in metallic and non-metallic mineral areas of Yukon, British Columbia, Manitoba, Quebec, Nova Scotia and Newfoundland, and three will concentrate on mapping the central mineral belt of New Brunswick where several base metal deposits are being developed towards production.

LABOUR INCOME RISE: Canadian workers earned an estimated \$990,000,000 in February, \$6,000,-000 more than in January and \$40,000,000 more than in February last year, DBS reports. The modest gain over the preceding month resulted from increases in manufacturing and the finance and services group, which outweighed decreases in construction and the primary industries. Compared with a year earlier, labour income was higher in February in all sectors of the economy.

Advances in total wages and salaries in transportation equipment, iron and steel products, and clothing and textile products in Ontario and Quebec accounted for a larger share of the increase in manufacturing labour income to \$328,000,000 from \$318,000,000 in January. This compared with \$325,000,000 in February last year.

* * * *

Golf first began in Canada on an organized basis with the founding of the Royal Montreal Golf Club in 1873.

CIVIL DEFENCE STUDIES: Qualified pharmacists and deans of schools of pharmacy from coast to coast will meet at the Canadian Civil Defence College at Arnprior May 30 to June 3 to study medical supply problems that would be encountered in an H-Bomb attack, it was announced May 27 by the Minister of National Health and Welfare, Mr. Paul Martin.

Approximately 45 candidates will attend the course and will take part in discussions led by civil defence medical, pharmaceutical and scientific experts, radiation experts from the Canadian Army, Red Cross blood transfusion officers, members of the pharmacy faculties of Canadian universities and authorities on packaging and storage of supplies.

The course, first of its kind in this country, will bring out the new problems of medical supply and storage created by the development of the hydrogen bomb. The pharmacists will study methods by which these problems can be met and the part that pharmacists can play in solving them.

The course is under the sponsorship of the civil defence health services and is being conducted with the co-operation of the Canadian Pharmaceutical Manufacturers Association, Canadian Pharmaceutical Association, Canadian university schools of pharmacy and the Canadian Army.

* * * *

SENNELAGER TRAINING: Operational elements of the 1st Canadian Infantry Brigade Group move into tented camps at Sennelager Training Range early next month to prepare for the "battle" of the year, June 18-25. Sennelager is 35 miles east of Soest.

Leaving Soest June 5, the troops will practice field firing from section to company level, tank and infantry co-operation, assault river crossings, patrolling, and village fighting.

After covering almost every activity of the infantry-men's trade, the soldiers will exploit their sense of competition in a "fight" among units for 20 Skill-at-Arms cups or trophies. Competitions range from firing of individual weapons to safe and skilled driving.

Sennelager, the largest training range in Europe, has been described as the finest training ground used by Canadian soldiers.

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ARMS FOR ALLIES: Several army trucks will be shipped to Portugal this week under Canada's programme of mutual aid to members of the North Atlantic Treaty Organization. Supplies of ammunition also will be shipped to the United Kingdom under terms of the agreement.

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Last year Canada imported nearly \$24,000,-000 worth of books, about \$1.60 worth per capita.

INTERNATIONAL TRADE FAIR: In welcoming exhibitors and buyers to this year's Canadian International Trade Fair, the Minister of Trade and Commerce, Mr. C. D. Howe, made special note of United States participation. He spoke in part as follows at the inaugural luncheon in Toronto on May 30:

"Today we welcome back many of our friends who have exhibited in previous years, and we extend a welcome to many who are exhibiting for the first time. Among the newcomers are the exhibitors in the newly formed welding equipment classification and the greatly enlarged aircraft components and aircraft sec-tion.

"For the first time, the Government of the United States is officially participating through an exhibit and marketing mission from the Department of Commerce. I mention this especially because the exhibit is an unusual one. It is manned and designed to assist busi-nessmen from Canada and other countries repre-sented here to sell their products in the United States.

"I congratulate our good neighbours to the South on this constructive effort to promote trade. To every exhibitor at this Eighth Can-adian International Trade Fair, I wish a suc-cessful two weeks of business achievement."

* * * *

HONOURED BY SOUTH KOREA: A Canadian Army officer serving in Korea with the United Nations Advisory Group of the Military Armis-tice Commission has been honoured by the Republic of Korea for his work there in the past year.

He is Maj. W. B. Armstrong, CD, of Ottawa and Kingston, an officer of The Black Watch (Royal Highland Regiment) of Canada.

Major Armstrong was the Canadian repre-sentative on the Armistice Commission, which comprised delegates from the United Nations Command, the Korean People's Republic (North Korea) and the Chinese People's Army.

* * * *

1954 AUTO SALES: New motor vehicle sales in Canada last year declined 17% in number and 15% in retail value from 1953's all-time peaks, according to the Bureau's annual report on new motor vehicle sales and motor vehicle financing. At the same time financing of sales of new and used motor vehicles dropped 16% both in number and value.

The total number of new units sold in 1954 dropped to 382,628 units from 462,526 in 1953 and the retail value to \$989,518,000 from \$1,162,471,000. The figures reveal a slight increase in the average valuation per unit.

* * * *

Canadian corporations had profits before taxes of \$2,414,000,000 last year, \$156,000,000 or 6% less than in 1953.

WHY ECONOMIC AID?: Canadians, in their reviews of the amount of aid that could be made available to the materially underdeveloped countries, should not only ask themselves how much Canada should be doing but how, and why, the Secretary of State for External Affairs, Mr. L.B. Pearson, told the Conference of United Nations Associations in Canada, in Ottawa, on May 27.

He said on this point:

"When I was talking at Princeton some weeks ago, I said I thought we should be sure of our reasons for providing help to the materially underdeveloped countries. I expressed the view that, if we of the West provide material aid only or primarily for cold war motives, we are likely to fail in achieving any good and permanent results.' Speaking of Asia, I said I thought it 'important to guard against any false idea that we can purchase or should try to purchase allies. The East will not become a mercenary in our ranks. It would be deplorable if Asians believed that Westerners had insulted their dignity, or misread their integrity, by entertaining such notions.'

"You will, I hope, forgive me for quoting myself but I do think it important that our motives should not only be, but appear to be, beyond reproach. This is an area of international and human relations which is so delicate and so open to misunderstanding that it is really not good enough even to be right for the wrong reasons."

SUBSTANTIAL REASONS

". . . . The lure of the alleged successes of communism and the threat which communist states present to the security of other countries and our own, add, of course, to the urgency of the task. To my mind, however, there are other and even more substantial reasons for providing assistance to the underdeveloped countries and for co-operating effectively with them.

"The genuine desire of Canadians to help others who are less fortunate, the recognition that the more quickly other people's standards of living rise the better off we shall all be, the conviction that economic and social progress are essential to a durable peace, the judgment that the resources of most of these countries are capable of supporting a fuller and richer life, the evident effort which the people of these countries are themselves making to improve their conditions, and the sympathy which we as citizens of a relatively young country feel with those who are trying to establish their own nations on a new and durable basis - all of these seem to me to be more solid and more fundamentally significant reasons for providing assistance. . . ."

* * *

The average weight of Atlantic salmon caught in Canada with fly is somewhere between twelve and fifteen pounds.

ATOMIC POWER STUDY: The Advisory Committee on Atomic Power Development, which consists of senior executive officers of power companies throughout Canada, is visiting the Chalk River project of Atomic Energy of Canada Limited June 2 and 3.

The Committee was formed a year ago as a means of keeping various power companies informed on atomic power developments in Canada and to provide a group which could assist in evaluating the possible economic importance of atomic power in the various regions of the country.

The Committee is studying the preliminary plans for the experimental atomic power station scheduled to go into operation in 1958. This plant, to be known as NPD (Nuclear Power Demonstration), will produce 20,000 kilowatts electric. The detailed design and engineering will be carried out by the Canadian General Electric Company Limited. The site and conventional power equipment (turbo generator, transmission gear) will be provided by the Hydro-Electric Power Commission of Ontario, which will also operate the station and feed the electricity produced into its Ontario power network.

Atomic Energy of Canada Limited will provide the nuclear data and will be responsible for nuclear performance. This Company will also supply the natural uranium fuel and the heavy water moderator and will handle the chemical processing of used fuel elements.

The United Kingdom atomic power program will be outlined for the visitors by Mr. H. Sheard, Liaison Officer for the United Kingdom Atomic Energy Authority at Chalk River. Dr. A.J. Vander Weyden, U.S. Liaison Officer at Chalk River, will speak on the U.S. program.

* * *

VACCINE FOR 3,000,000: In addressing the 70th Annual Convention of the Trades and Labour Congress, at Windsor, Ont., on May 30, the Minister of National Health and Welfare, Mr. Paul Martin, expressed the hope that before April of next year Canada would have provided sufficient Salk polio vaccine for the inoculation of 3,000,000 Canadian children.

It was under Canada's National Health Programme, he said, that federal and provincial governments were able to undertake jointly the nation-wide immunization programme that had already reached out to 750,000 Canadian children in the most vulnerable age groups.

* * *

ICAO ASSEMBLY: Brigadier C. Stephen Booth, Assistant Deputy Minister of the Canadian Department of Transport, on June 1 was elected President of the Ninth Session of the International Civil Aviation Organization's Assembly, which is meeting at ICAO's headquarters in Montreal.

SALK VACCINE SUPPLY: "The Canadian Government has taken steps to assure a continuing supply of monkeys required in the production and testing of the Salk polio vaccine," it was announced in the House of Commons on June 1 by the Parliamentary Assistant to the Minister of Health and Welfare, Mr. F. G. Robertson. His statement was in reply to a question by Mr. T.H. Goode, Liberal, Burnaby-Richmond, as to what steps had been taken to ensure an adequate supply.

Mr. Robertson's statement continued:

"Arrangements have now been worked out under which the Canadian Commercial Corporation will act as the purchasing agent for the Government of Canada in obtaining monkeys under the terms of an export licence granted by the Government of India.

"Monkeys required for the vaccine production programmes at the Connaught laboratories in Toronto and the institute of Microbiology at Montreal, and for the safety testing of the vaccine at the federal laboratory of hygiene in Ottawa, will be bought in this way.

"The monkeys will, in turn, be purchased through the Canadian Commercial Corporation by the three laboratories concerned, with the cost per monkey pro-rated according to the total cost of the shipment.

"This federal Government action has been taken to ensure a continuing supply and to meet India's preference for dealing with one agency only. The Government of India has been most co-operative in this whole matter.

"Full precautions have been taken to safeguard the health of the animals while in transit and to ensure their humane treatment

on arrival in Canada. All shipments will be met by veterinary inspectors. Monkeys procured under this arrangement will be used for no other purpose than in the production and testing of the Salk vaccine.

"The first shipment of approximately 1,000 monkeys, purchased under the procedure described above, arrived at Malton airport on Monday, May 30."

* * * *

SOLDIER APPRENTICES: The Canadian Army on June 1 began enrolment of its fourth intake of soldier apprentices....16-year-old youths who meet required standards of education, physical fitness and desire a military careerat personnel depots across the country.

The Army plans to enroll 360 of the youths between now and September 16, when training will begin at various corps schools across the country.

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FISHERIES COMMISSION: Commissioners of the International Pacific Salmon Fisheries Commission who had been meeting in Washington, D.C., arrived in Ottawa June 2 to continue meetings here. The six-man Commission, on which Canada and the United States are equally represented, is charged with the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system.

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There is one doctor for every 948 Canadians, according to a report released June 3 by the Minister of National Health and Welfare.

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

DEW LINE AGREEMENT: The Secretary of State for External Affairs, Mr. Pearson, on May 20 tabled in the House of Commons text of the Agreement between Canada and the United States for the construction and operation of the DEW (distant early warning) radar line in the Canadian Arctic.

"Unless otherwise provided by Canada, the costs of construction and operation of the DEW system shall be the responsibility of the United States, with the exception of Canadian military personnel costs if Canada should man any of the installations," the Agreement states under the heading of Financing.

The Agreement is in the form of an exchange of notes dated May 5, with the U.S. Government advising the Canadian Ambassador, Mr. A.D.P. Heeney it "concurs in the conditions" set forth by the Canadian Government.

In a brief statement in the House of Commons, Mr. Pearson, after reminding that Canada would construct the mid-Canada line, said in part:

"This exchange of notes establishes conditions which will enable the United States to build the distant early warning line as rapidly as possible in the interests of the defence of the two countries. At the same time it preserves the principle enunciated in the joint declaration of February 12, 1947, on defence co-operation, that all co-operative arrangements will be without impairment of the control of either country over all activities in its own territory."

"In particular the agreement provides for the effective participation by Canada in the operation of the distant early warning system, the character of such participation to be determined on the basis of studies to be carried out during the construction phase.

"These studies are already under way, but I should point out that they will not be completed for a considerable time and for the present there is nothing to be added to the statement made by the Prime Minister on the matter in this House on February 22 last."

Following provisions as to sites, liaison arrangements, right of inspection, and provision of electronic equipment, which, as far as practical, is to be manufactured in Canada, the Agreement reads, in part:

"The extent of Canadian participation in initial operation and manning of the DEW System shall be a matter for later decision by Canada after full consultation with the United States. It is understood that, in any event, Canada reserves the right, on reasonable notice, to take over the operation and manning of any or all of the installations. Canada will ensure the effective operation, in association with the United States, of any installations it takes over."

"Subject to the foregoing, the United States is authorized to station personnel at the sites, and to operate the DEW System, in accordance with the principles of command in effect from time to time between the military authorities of the two countries. The overall

manning policy as between the employment of military and civilian personnel shall be the subject of consultation and agreement between the two Governments.

"Unless otherwise provided by Canada, the costs of construction and operation of the D.E.W. System shall be the responsibility of the United States, with the exception of Canadian military personnel costs if Canada should man any of the installations.

"Canada and the United States agree that, subject to the availability of funds, the D.E.W. System shall be maintained in operation for a period of ten years or such shorter period as shall be agreed by both countries in the light of their mutual defence interests. . .

REMOVABLE PROPERTY

"Ownership of all removable property brought into Canada or purchased in Canada and placed on the sites, including readily demountable structures, shall remain in the United States. . .

There follow stipulations regarding telecommunications, transmission to the Canadian Government of any scientific data obtained during construction work and lengthy provisions for the protection of the welfare of the native Eskimos.

The conditions annexed to the Canadian note number 21 in all, and are declared acceptable in the U.S. note, also dated May 5.

In his note addressed to the U.S. Secretary of State, Mr. Dulles, Mr. Heeney writes, in part:

"I am instructed by my Government to inform you that its participation during the construction phase of the project will consist of giving assistance to the United States authorities in organizing and using Canadian resources, and to helping by making available the facilities of the armed forces and other agencies of the Canadian Government when appropriate.

"I am also instructed to state that the Canadian Government intends to participate effectively in the operation and maintenance phase of the project, the character of such participation to be determined on the basis of studies to be carried out during the construction phase."

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Railway carloadings in the first week of May totalled 78,932 cars, up 16% from 68,061 in the corresponding week last year.

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Production in Canada of motor vehicle parts and accessories in all industries in 1953 was valued at \$525,793,000, an increase of almost 8% from the preceding year's \$487,909,000.

SEEKS WARTIME FRIENDS: A middle-aged woman in Amsterdam, Holland, looks for Canadian soldiers there on leave, hoping she will meet some she befriended during the war. She befriended a great many.

Prize possession of Mrs. G. Wysmuller-Meijer is a light blue and grey silk handkerchief which is shown to all Canadians she meets. It reminds her of a group of men who wrote on it the words:

"We, held by the Germans, in Aalsmeer, take this opportunity to thank you for your wonderful work and courage in helping us unfortunate soldiers. In all gratitude - our name".

Inscribed on the handkerchief are the names of more than 30 Canadian soldiers and a similar number of Allied soldiers, who were taken prisoner during the fighting in Holland. Signatures were written on it in a prisoner of war camp from April 7, 1945, until the end of the war. The gratitude was for gifts of games, cleaning materials, clothing and other comforts.

In the last month of the war, Mrs. Wysmuller-Meijer, whose husband is a banker, was approached by Dutch police familiar with her activities as a member of the Dutch underground. They asked for advice in helping prisoners-of-war and she became a member of the Amsterdam Police to gain admittance to the camp.

Now, Mrs. Wysmuller-Meijer would like to meet or hear from some of the Canadians she helped. She asked that they write her at 125 Nassaukade, Amsterdam, Holland.

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2,300,000 AIR PASSENGERS: Addressing members of the Sudbury Chamber of Commerce on the eve of the opening of the new terminal building at the Sudbury airport on May 20, the Minister of Transport, Mr. George C. Marler, outlined what the Department of Transport was doing to improve aviation facilities in Canada.

Mr. Marler pointed out that while greater emphasis had been placed "upon the extension of the facilities required for the aircraft and for the safety of flying in preference to more convenient terminal facilities, we are at present planning for new terminal buildings at Gander, the Dorval Airport at Montreal, Quebec, and the Malton Airport at Toronto and we hope to commence actual physical operations at an early date on some of these projects."

In the Minister's opinion, "there is no doubt that the public wants better facilities, whether they be in the form of extended runways, better radio aids to aviation, better air traffic control, or better terminal buildings."

Reviewing the development of aviation over the past 20 years, Mr. Marler pointed out that the number of passengers carried by Canadian airlines had increased from less than 100,000 in 1936 to a record 2,300,000 last year.

BAYEUX MEMORIAL CEREMONY: Seven prominent Canadians will leave for Europe later this month to attend the unveiling of the Bayeux Memorial, June 5, near Caen, France, by His Royal Highness the Duke of Gloucester.

The memorial commemorates 1,837 officers and men of the Commonwealth Armies who fell in the Normandy assault and the advance to the Seine, and who have no known graves. The names of 270 members of the Canadian Army are inscribed on the memorial. In nearby Bayeux Cemetery 160 Canadian soldiers and 21 airmen of the RCAF are buried.

Hon. Hugues Lapointe, Minister of Veterans Affairs, will place a wreath on the memorial on behalf of the Canadian Government. Representatives of other Commonwealth Governments will also be present for the ceremony.

Other official Canadian Guests include Associate Deputy Minister of National Defence, Col. Paul Mathieu, representing Defence Minister Ralph Campney; Gen. H.D.G. Crerar, former Commander First Canadian Army in Europe; Lt.-Col. E.A. Baker, Chairman of the National Council of Veterans Associations in Canada; The Very Rev. J.O. Anderson, MC, DD, Dominion President of the Canadian Legion; D.S. MacTavish, Vice-President, Canadian Legion; and T.D. Anderson, General Secretary of the Canadian Legion.

The memorial has been erected by the Imperial War Graves Commission, and invitations to attend have been extended to all next-of-kin of soldiers commemorated, as well as relatives of those buried in the Bayeux Cemetery. About 12,000 persons are expected to attend.

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NRC EXHIBITS: This year for the first time the National Research Council of Canada will sponsor an exhibit at the Canadian International Trade Fair, May 30th to June 10th, in Toronto.

This exhibit consists entirely of ideas for products rather than the products themselves. The ideas will be illustrated by models of inventions, arising from research, that NRC and other laboratories now have available for licensing to industry through Canadian Patents and Development Limited.

This Company was set up by the Canadian Government primarily to handle patent and licensing matters for the National Research Council. Its facilities were made available to other organizations and this Company now handles inventions from nine Government Departments; three provincial research organizations, nine universities, two companies working on Government contracts and three foreign research organizations.

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Contract drilling for petroleum or natural gas in Canada increased to 10,765,042 feet in 1953 from 8,454,269 in 1952.

TRADE TALKS WITH POLAND: The Department of External Affairs announced on May 24 that discussions had taken place in Ottawa recently between representatives of the Governments of Canada and Poland concerning customs valuation procedures and general trade matters. These talks were held at the request of the Government of Poland which had expressed its concern at the special valuation procedures which Canadian customs authorities have been applying to certain imports from Poland.

During the consultations arrangements were worked out by agreement between the two Governments which it is hoped will permit satisfactory verification of the values of goods imported from Poland, within the requirements of Canadian customs laws.

Representatives of both Governments expressed a desire to increase trade between the two countries. It was noted that Polish import agencies are free to purchase the large variety of Canadian goods which are not subject to restrictions on security grounds. Similarly there are opportunities for Canadian importers to purchase various goods from Poland. It is for the firms and agencies concerned in the two countries to arrange such transactions where they find it advantageous to do so.

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MUSEUMS AND ART GALLERIES: The Dominion Bureau of Statistics released May 20, reference paper No. 57 entitled "Museums and Art Galleries, 1951-1952." It contains information on 191 institutions, of which 20 were controlled by the federal Government, 21 by Provincial Governments and 18 by Municipal Governments.

Total attendance in 1951-52 is estimated to be over 3,000,000, while total expenditures amounted to more than \$2,000,000. Estimated staff for all institutions was 500 full-time and 300 part-time employees. Of 113 institutions reporting on admission policies, 90 made no charge for admission. Forty-four institutions reported film or slide projection facilities.

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A sharp drop in the catch of herring on the Pacific was the chief factor in reducing Canada's total landings of sea-fish in March to 46,622,000 pounds from 96,485,000 a year earlier and the value to \$1,882,000 from \$2,636,000.

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Canada's glass and glass products industry shipped a record \$72,910,000 worth of products in 1953, some \$14,130,000 worth or 24% more than in the preceding year.

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Saturday, June 11, will be Air Force Day across Canada, the ninth time that the event has been noted since it was first held in 1947.

EXPORTS AT RECORD PEACETIME LEVEL

MR. HOWE'S TRADE ANALYSIS: "I am convinced that in most of the principal trading countries there is today a strong bias in favour of the kind of trade rules that the Government of Canada has been advocating," the Minister of Trade and Commerce, Mr. C. D. Howe, said before the Canadian Manufacturers' Association in Montreal on May 25 in discussing "the progress that is being made towards greater freedom of trade."

He proceeded: "There is no reason for pessimism about world trade prospects. On the contrary, I believe a solid foundation has been laid for further progress."

The subject of Mr. Howe's address was, "Canada Trades With The World," and he said that Canadians looked across the border at the United States to see how the wind was blowing as far as commercial policy was concerned: for in trade matters it could be said that, as the United States goes, so goes the world.

ENCOURAGEMENT

The Minister went on:

"We can all draw encouragement from recent events. After a prolonged debate, the Trade Agreements Extension Act of 1955 was approved in the House and the Senate. This does not mark a significant step forward but it is nevertheless some progress. More important than the substance of the measures, which are in course of being approved, is the assurance that for the present at least United States commercial policy appears to have been stabilized.

"The United States is beginning to make clear its intentions that international trading arrangements are to be strengthened by its actions. This is an exceedingly important development which none of us should underestimate and is one strong reason why I have some confidence in the future.

"May I offer a brief comment on one of the amendments introduced by Congress into the Trade Agreements Extension Act. I refer to the amendment which recognizes that imports may adversely affect the national security of the United States. It is provided that measures may be adopted in such cases to reduce imports to a level consistent with the national security. The new Act provides the President with a great deal of discretion with regard to its implementation. It is appropriate, therefore, even at this early stage, to express the hope that the President will recognize that the security interests of the United States are vitally affected by its trade relations with other countries and particularly with Canada.

"We, in Canada, are aware that the strength and unity of the free world depend, more than anything else, upon a sound foundation of multilateral trade arrangements. The events of

the past ten years have confronted all countries with temptations to pursue trade policies which would be attractive enough in the short run but which would only lead to trouble.

"Some countries have dabbled with high tariff protection, others with exchange controls and discriminatory restrictions. In all cases these misguided efforts have reacted against the countries which initiated them. In some notable instances, these efforts have been abandoned and the artificial barriers to trade have been dismantled.

"There are lessons to be learned from all of this experience. In economic terms, individual countries cannot afford to weaken their productive efficiency by policies of high protection. In terms of peace and security, the free world is not strong enough to endure the international bickering and disunity which accompany the growth of barriers to trade.

"For this reason, I hope that, if the United States does consider imposing restrictions upon imports to safeguard its national security, it will not overlook the detrimental effects which such action might have upon those very same interests.

Analyzing Canada's present trade situation, he said:

PEACETIME RECORD

"Canadian export trade is today at the highest peacetime level ever attained, considered in terms of physical volume. In the latest six months for which figures are available, exports in volume were higher than in the same six months of any previous peacetime year. In value terms, exports in the first three months of 1955 were \$100 million ahead of the first quarter of 1954.

"In fact, we have experienced six months of record exports in a world which we all know is becoming more competitive. And exports are higher not only to the United States, which is experiencing such a remarkable spurt of prosperity, but also to the United Kingdom and to other Commonwealth countries.

"Imports, too, are up proportionately, which is a healthy sign. It means that Canadians have money to spend and are spending it. When I hear suggestions that Canada is experiencing a recession, I sometimes wonder how this can be reconciled with the large current volume of imported goods.

"I believe it would be a mistake to reason, from the experience of some particular industries, that Canada is becoming a high-cost economy. Admittedly, our costs have risen. Basically, this is because we have passed through a long-sustained period of economic development. In addition, the international situation has given rise to the need for vast expenditures on defence, with resulting pressure on resources and upon wage rates.

"In all of this, it must be borne in mind that we are highly efficient producers of the major export products, from our forests, farms, fisheries, mines and factories. We have our low-cost hydro-electric power, with great reserves still at hand. In less than a decade, our country has gained immensely from proven reserves of gas and oil and discoveries of metals.

"The Government has been alert to the possibilities of atomic energy and we shall not lag behind in the development of power from atomic materials. The St. Lawrence Seaway will mean lower costs for a significant volume of our trade. In short, we are endowed with a wealth of low-cost natural resources which are at once a challenge and an opportunity for those with vision." . . .

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UNEMPLOYMENT DROP: Unemployment dropped more sharply than usual during April as favourable weather in most parts of Canada helped to stimulate employment. The number of persons without jobs and seeking work declined from a postwar high of 401,000 at mid-March to an estimated 327,000 at mid-April, a drop of 18 per cent, compared with an average drop of less than five per cent during the same period in the past two years.

The number of persons with jobs increased by an estimated 124,000 during the month compared with only 36,000 during the same period last year. The total number of persons with jobs was about 117,000 above that of the same time last year.

Good weather in early April helped construction, farming and other outdoor industries to begin spring work earlier than a year ago. There were also fewer seasonal layoffs in manufacturing than in April last year.

The substantial increase in employment during the month was sufficient to bring the classification of local labour market areas across the country almost to the same position as last year. The classification of the 109 local labour market areas surveyed at May 1, 1955 (last year's figures in brackets) was as follows: in balance, 4(9); moderate surplus, 50(56); substantial surplus, 45(44).

The civilian labour force totalled 5,450,000 in the week ended April 23, 1955, compared with 5,400,000 in the week ended March 19, 1955. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

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Department store sales increased 8.1% during the week ending May 14 as compared with the corresponding week last year. Sales in Quebec were up 21.5%, Ontario 11.8%, Atlantic Provinces 8.3%, and British Columbia 1.5%, but down 4% in Saskatchewan, 2.4% in Alberta and 1.2% in Manitoba.

LIBERALS WIN IN P.E.I.: The Prince Edward Island Liberal Government, under Premier Alex Matheson, was returned to power in the provincial election on May 25.

The result as announced on the morning of May 26 was: Liberals elected, 27; Progressive Conservatives 3.

In the 1951 election the Liberals won 24 seats against six for the Progressive Conservatives.

Progressive Conservative Leader R. R. Bell won a close victory in Queens 2nd in the May 25 voting.

* * *

CNR IMPROVEMENT: A modest increase in revenues combined with continuing efforts to reduce operating expenses has resulted in an improvement in the net revenue of the Canadian National Railways as reported in the Company's income and expense statement announced May 26.

Operating revenues in April this year were \$53,693,000, an increase of \$1,731,000 compared with the same month in 1954. Operating expenses were reduced by \$2,614,000 with the result that net revenue increased by \$4,345,000.

In the first four months of this year, operating revenues increased \$1,047,000 to \$206,118,000, compared with the corresponding period of 1954. Operating expenses decreased by \$9,971,000 to \$196,903,000. This resulted in an improvement of \$11,018,000 in net revenue over last year.

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MANUFACTURING REVIEW: The Dominion Bureau of Statistics has released its annual General Review of the Manufacturing Industries of Canada for 1952. This 174-page report contains a general analysis of manufacturing development with detailed treatment of current production by individual industries and such principal factors as physical volume of production, employment, salaries and wages, size of establishment and power and fuel. The report also deals with the provincial and local distribution of manufacturing production and provides an alphabetical list of products manufactured in Canada.

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COAL PRODUCTION DOWN: Canadian production of coal continued to decline in 1954, dropping to 14,912,579 tons from 15,896,194 in 1953 and in value to \$96,600,266 from \$102,685,793, according to the preliminary annual report. Landed imports, including briquettes, fell to 18,551,002 tons from 22,521,787, and exports dropped to 219,346 tons from 255,274.

The year's output in Alberta was cut to 4,859,049 tons from 5,917,474 in 1953, and in British Columbia and the Yukon to 1,313,623 tons from 1,453,617. In Nova Scotia production rose to 5,842,896 tons from 5,787,026. Saskatchewan to 2,116,740 tons from 2,021,296, and New Brunswick to 781,271 tons from 716,781.

MASS EVACUATION EXERCISE: Approximately 50,000 people will be evacuated from the City of St. John's, Newfoundland, May 30, in the first major civil defence withdrawal exercise to be held in Canada, it was stated May 27 in a joint announcement by the Minister of National Health and Welfare, Mr. Paul Martin the Cabinet Minister responsible for civil defence, and the Minister of Provincial Affairs for the Province of Newfoundland, Mr. Myles P. Murray.

During the evacuation test it is expected that upwards of 10,000 privately owned passenger automobiles and some 2,500 buses and trucks will be used to move the population clear of the city. Traffic control along the half-dozen main exits from the city will be maintained by the St. John's Constabulary and civil defence voluntary police within the city limits. Outside the city all traffic control will be under supervision of the Royal Canadian Mounted Police.

U.S. AIRCRAFT

During the exercise, aircraft of the Royal Canadian Air Force and the United States Air Force will simulate an attack on the city. Civil Defence volunteers will be called into action to control damage caused by the mock attack.

Civil defence officials stated that the aim of the test is to familiarize the population of the Newfoundland capital with the action they should take if their city were attacked. During this test, hospital patients and school children are not being removed.

The St. John's test is the first large-scale tactical withdrawal to be undertaken in a Canadian city. A number of minor exercises building up to the May 30 test have previously been held in St. John's and a test evacuation was carried out last summer at Brockville, Ontario. A large-scale withdrawal test is slated for Calgary late in September.

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HIGHWAY SAFETY: Canada's first National Highway Conference, held in Ottawa this week, urged uniform motor vehicle legislation across the country and decided to establish a permanent Canadian Highway Safety Conference, with Mr. Brooke Claxton, a former Minister of National Defence, as its first President.

CUSTOMS ACT AMENDMENT: First reading was given in the House of Commons on May 24 to a bill to amend the Customs Act. In introducing the measure, the Minister of National Revenue, Dr. J. J. McCann, gave the following preliminary explanation:

"The essential purpose of this bill is to clarify and bring up to date certain sections of the Customs Act.

"The present law only requires vehicles to report to customs when conveying dutiable goods. As the House is aware, my Department is now charged with the administration of other regulations such as those involving the health of animals, insect infestations and diseases of plants, etc., and in addition the Departments of Immigration and Health are concerned that everyone crossing the border should report.

APPEALS

"An amendment is being proposed to the valuation sections which clarifies and confirms our present principles of valuation. It is also proposed to limit the period following the date of entry for appeals against original appraisal.

"The Tariff Board will be empowered to hear appeals from departmental rulings affecting export drawback as well as domestic drawback. At the present time, if goods are diverted from use for which free entry or a lesser rate of duty was accorded, we can only make demand for the proper duty from the person found in possession. It seems desirable to also hold the original importer responsible in cases of this kind.

"At the present time a lien holder has only 30 days from the date of seizure to apply for a judicial order to declare his interest in the goods or vehicle seized, and it is proposed to extend this time to 60 days. I shall be glad to give further details when the bill is up for second reading or when we get into committee."

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More than half of Ontario, Canada's second-largest province, is forest.

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Two-thirds of Canada's population live in urban centres and only one-third on farms.

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DEPARTMENT OF EXTERNAL AFFAIRS

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WEEK'S EVENTS IN REVIEW

BIG FOUR MEETING: The Canadian Government welcomes the fact that high level talks between the leading western powers and the Soviet Union will take place, the Acting Secretary of State for External Affairs, Mr. Paul Martin, said in the House of Commons on May 16 when asked by Mr. J.G. Diefenbaker, Progressive Conservative Member for Prince Albert, Sask., if he were in a position to say anything regarding the "summit" meeting which had been arranged for among the Big Four powers, and what stand Canada had taken with reference to the matter.

Mr. Martin's reply was as follows:

"As my hon. friend and other members know, there have been important developments during the past week. The German Federal Republic has entered NATO and into the full political and defence association with the western nations which we have hoped to achieve for so long. A state treaty for Austria has been signed and ten years of occupation ended. The leading western powers have invited the Soviet Union to a meeting, both of heads of Governments and of Foreign Ministers, and the Soviet Union has accepted the invitation.

"The Soviet Union has tabled a series of proposals at the disarmament talks in London which contain significant changes of policy on some points relating to disarmament and which may point to some of the subjects to be

discussed at a four power meeting. At a conference in Warsaw, the Soviet Union has set up a unified command for its forces and the forces of its satellites in Eastern Europe. We learn that Marshal Bulganin and Mr. Krushchev will visit Yugoslavia.

"So we may ask, what do all these rapid developments imply so far as relaxation of tension and a European and even world settlement are concerned? So far as the western nations are concerned, the various steps in their policies have been intended to lead eventually to peaceful negotiation of outstanding differences between East and West to remove the risk of world war.

"The invitation extended to the Soviet Union to participate in discussions both between heads of Governments and Foreign Ministers establishes this intention on the part of the western powers. It underlines the fervent desire of western nations to find any possible way of arriving at a peaceful settlement of outstanding issues based on recognition of the legitimate security interests and national freedom of the nations most directly concerned.

"We may well ask, what are the Soviet intentions? The final signing of the Austrian State Treaty and the apparent concessions on disarmament do lead one to hope for a greater willingness to discuss other problems. The

extent of Soviet diplomatic activity does suggest that various far-reaching changes may be planned.

"The Canadian Government naturally welcomes the fact that high level talks between the leading western powers and the Soviet Union will take place. We think that considerable progress can be made at these talks and that there are compelling reasons of national interest on both sides for representatives of these nations to examine the fundamental differences between them in the immediate future.

"We have noted the expressed desires of some Soviet leaders to negotiate with the West in spite of the basic ideological differences. We have noted the concessions made on specific points. We hope that the Soviet Government will continue to respond to the deep desire of people in all countries for peaceful solutions of international problems."

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WORLD SCOUT JAMBOREE: The Canadian Army has undertaken the task of virtually building and equipping a town on Niagara-on-the-Lake, Ont., this summer to accommodate an estimated 10,000 Boy Scouts from all parts of the World at their eighth World Scout Jamboree.

Nearly two years of planning between Army and Boy Scout officials have been carried out in an effort to ensure a successful 10-day outing (August 18-28) for Scouts from Canada, the United States, the United Kingdom, and 30 other countries including Austria, Egypt, Greece, Japan and Venezuela.

More than 100 separate items of equipment from Army stores will be loaned to the Scouts for their jamboree.

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CROP REPORT: High winds have been beneficial in drying land over wide areas of the Prairie Provinces during the past week, according to the Bureau's telegraphic crop report issued May 11.

Seeding is well under way in most southern and central-western parts of Manitoba, in southwestern and west-central Saskatchewan, and in the Peace River District and most southern and central regions of Alberta.

It will be some time, however, before much spring work can be accomplished in those areas which are waterlogged and flooded as a result of last week's torrential rains. Most seriously affected districts are in east-central and northeastern Saskatchewan.

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Value of cheques cashed in clearing centres in March climbed 5.6% to \$13,846,872,000 from \$13,107,284,000 in the corresponding month last year and cumulative debits for the first three months of the year rose 5.7% to \$37,733,652,000 from \$35,707,345,000.

NATO NEWSPAPERmen HERE: The Department of External Affairs announced on May 18 details of a two-week tour of Canada by a party of twenty journalists from fourteen NATO countries which will begin in Halifax on May 20.

Eighteen of the correspondents were to leave Paris by air early May 19, and arrive about midnight at HMCS Shearwater, Halifax. Upon arrival in Montreal, after visiting Arvida and Quebec City, they will be joined by two correspondents from the United States. The party will then visit Ottawa, Edmonton, Calgary, Rivers (Manitoba), Winnipeg, Gimli (Manitoba), Centralia (Ontario), Niagara Falls and Toronto, where the tour concludes on June 5.

The tour is sponsored jointly by the Departments of National Defence and External Affairs and is one of a series arranged by the North Atlantic Treaty Organization in member countries. A similar tour to Canada was arranged last year. A number of Canadian journalists also visited other NATO countries last year and tours of NATO countries by Canadian journalists have been arranged for this year.

When the journalists arrive in Ottawa on May 25, they will be met by officials of the Departments of National Defence and External Affairs and by representatives of NATO diplomatic missions in Ottawa. During their two-day stay in the capital, they will meet the Minister of Trade and Commerce and Minister of Defence Production, Mr. C.D. Howe, the Secretary of State for External Affairs, Mr. L.B. Pearson, the Minister of National Defence, Mr. R.O. Campney, the Minister of Citizenship and Immigration, Mr. J.W. Pickersgill, and the Minister of Northern Affairs and National Resources, Mr. Jean Lesage.

They will visit the Parliament Buildings, the House of Commons and the Senate Chamber.

On the last day of the tour, in Toronto on June 4, the NATO journalists will visit the Canadian International Trade Fair and attend the Canadian International Air Show with members of the Aviation Writers' Association who are holding their annual meeting in Toronto at the same time.

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Department stores sales rose 4.4% in April as compared with a year earlier. There were increases of 9.4% in British Columbia, 6.3% in Quebec, 5.7% in Ontario, 1.8% in Manitoba, and decreases of 3.3% in Saskatchewan and 1.4% in the Atlantic Provinces.

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Foreign vehicles entering Canada on traveller's vehicle permits increased in April and the first four months this year as compared with a year earlier. The month's total was 118,786 versus 107,022, bringing January-April entries to 295,640 versus 282,593.

NATO COUNCIL VISIT: The Departments of External Affairs and National Defence announced on May 18 that the Permanent Representatives to the North Atlantic Council while visiting Montreal on May 22 and 23 will have an opportunity of seeing an important part of the defences of this region of the North Atlantic area, including Air Defence Command at St. Hubert, Quebec.

The Permanent Representatives arrived in the United States May 14 for a tour of the more important defence commands and installations in the Canada-U.S. region of the North Atlantic Treaty area. They have already visited the various European commands and this is the first occasion of a similar visit to North America.

The party will arrive at Air Defence Command Headquarters, St. Hubert, Quebec, from New York Sunday morning, May 22, for a two-day stay. Their tour of the Air Defence Command will include a visit to a radar station and a visit to Canadair. They will leave the International Terminal, Dorval, for Paris, Monday, May 23.

Members of the NATO Council Party are:
 H.E. Jonkheer A.W.L. Tjarda van Starkenborgh Stachouwer, Permanent Representative of The Netherlands.
 H.E. André de Staercke, Permanent Representative of Belgium.
 H.E. Fatin R. Zorlu, Permanent Representative of Turkey.
 Mr. Nicolas Hommel, Permanent Representative of Luxembourg.
 H.E. Georges Exintaris, Permanent Representative of Greece.
 H.E. L.D. Wilgress, Permanent Representative of Canada.
 H.E. Sir Christopher Steel, K.C.M.G., M.V.O., Permanent Representative of the United Kingdom.
 H.E. A. Vestbirk, Permanent Representative of Denmark.
 Mr. Hans G. Andersen, Permanent Representative of Iceland.
 H.E. Adolfo Alessandrini, Permanent Representative of Italy.
 H.E. Alexandre Parodi, Permanent Representative of France.
 H.E. George W. Perkins, Permanent Representative of the United States of America.
 H.E. Dr. Hasso Von Etzdorf, Deputy Representative of the Federal German Republic.
 Mr. Arne Gunneng, Acting Permanent Representative of Norway.
 Dr. José Calvet de Magalhaes, Deputy Permanent Representative of Portugal.

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Chain store sales rose 5% in March to \$165,292,000 from \$157,477,000 in the corresponding month last year. March 1 stocks, at cost, were valued at \$239,811,000, up 7% from \$224,061,000 a year ago.

SALK POLIO VACCINE: To date, more than half a million Canadian children have been inoculated with either one or two doses of Salk polio vaccine as part of a joint federal-provincial nation-wide immunization programme, the Minister of National Health and Welfare, Mr. Paul Martin, announced in Ottawa on May 19 before a federal-provincial health conference.

The vaccine, produced at the Connaught Medical Research Laboratories in Toronto, has been purchased under the National Health Programme with the costs divided equally by federal and provincial Governments, he said. Allocations of the vaccine were made to the Provinces on the basis of population for administration, free of charge, to children in selected age groups.

"For many years it has been the practice in Canada for provincial and local departments of health to purchase, stock and distribute, at provincial and municipal expense, quantities of immunization materials against such diseases as typhoid, tetanus, whooping cough, smallpox and diphtheria. This obligation has been assumed as a proper and essential public health responsibility of provincial and local health departments.

"However, in the case of the polio vaccine, the need for large initial quantities and the fact that its use would be on an experimental basis at first, led the federal Government to offer -- under the terms of the National Health Programme -- to share equally with the Provinces the cost of purchasing supplies of the vaccine during the early stage of the programme. . . ."

After paying tribute to the generosity of the United States towards Canada in its handling of the vaccine, Mr. Martin proceeded:

"It was our objective to provide immunization for 1,500,000 Canadian children before the onset of this year's polio season. However, certain difficulties have developed in the supply of vaccine from commercial sources and it may be that we will not reach the target I had hoped for. However, we anticipate that sufficient supplies will be available from Connaught Laboratories to enable the Provinces to inoculate at least 1,000,000 children before July 1st. . . ."

"The Salk polio vaccine is the greatest single step forward in years of searching for a preventive against this crippling and killing disease. . . ."

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ALBERTA ELECTION JUNE 29: Premier Manning of Alberta on May 17 announced an Alberta election to be held June 29.

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Canada sold ships valued at \$6,844,812 to foreign countries last year. Principal buyers were Liberia, Panama, Costa Rica, Yugoslavia and Italy.

CANADA AND WORLD WHEAT: Supplies of wheat remaining on or about April 1 in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 1,898,100,000 bushels; about 1% less than the 1,912,600,000 available a year ago.

This year's April 1 supplies were held as follows with a year earlier totals in brackets: United States, 1,038,900,000 bushels (964,-900,000); Canada, 549,000,000 (666,400,000); Argentina, 157,400,000 (137,700,000); and Australia, 152,800,000 (143,600,000).

Total exports of wheat and flour in terms of wheat from the four major exporting countries for the first eight months of the current Canadian crop year, at 517,500,000 bushels, were some 25% greater than the shipments of 414,800,000 during the comparable period of 1953-54.

Eight-month shipments from the United States were 189,900,000 bushels (125,700,000 a year earlier); Canada, 172,700,000 (170,-900,000); Argentina, 92,200,000 (78,000,000); and Australia, 62,700,000 (40,200,000).

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IRON FROM MARMORA, ONT.: Canada's industrial and mineral development took another giant forward stride on May 11 when the first shipment of iron concentrates was made from the Marmora Mine at Marmora, Ont.

With Mr. Donald Gordon, Chairman and President, Canadian National Railways, and Mr. A. B. Homer, President Bethlehem Steel Company, jointly officiating at the opening ceremonies, the S.S. Powell Stackhouse, a 9,600 ton ore carrier, moved off from the Picton dock with the first load of pellets bound for the steel forges of Lackawanna, N.Y.

The Marmora Mining Company, a subsidiary of the Bethlehem Steel, operates the mine and will be hoisting a million and a quarter tons of ore and rock from the pit annually when full production is reached. This will yield half a million tons of high grade concentrates.

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FISHERIES SCHOLARSHIPS: The Fisheries Research Board of Canada, for the first time, has awarded scholarships similar to those of the National Research Council.

The National Research Council co-operated with the Fisheries Research Board in awarding one fellowship worth \$1,400, seven studentships worth \$1,100 each, and four bursaries worth \$800 each, from funds made available by the Fisheries Research Board.

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Over 19,000 soldiers of the Canadian Army (Militia) are expected to undergo annual summer training from June to September of this year in 18 permanent and temporary Army centres from Halifax to Esquimalt, B.C.

CANADA-U.S. DEFENCE: Commencing Monday, May 16, meetings of the Canada-United States Regional Planning Committee of the Canada-United States Regional Planning Group are being held in Kingston, Ont. This Group is part of the North Atlantic Treaty Organization, and is charged with planning the defence of Canada and the United States within the scope of NATO.

The Regional Planning Committee is responsible to the Chiefs of Staff Committee of the Regional Planning Group, which is composed of the Service Chiefs of Staff of Canada and the United States.

Meetings of the Canada-United States Regional Planning Committee are held as frequently as business requires. The previous meeting was held in the United States at Colorado Springs, March 2-5 this year.

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NAVAL TRAINING: At least 25 ships of the Royal Canadian Navy, ranging from cruisers to patrol craft, will be engaged in this year's summer training programme on the Atlantic and Pacific oceans and the Great Lakes. An estimated 7,000 officers and men of the regular and reserve forces will participate, the Royal Canadian Navy has announced.

The summer training schedule on the East Coast gets under way officially this week, when the cruiser HMCS Quebec and the destroyer escorts Huron and Iroquois sail from Halifax on the first of three cruises for cadets of University Naval Training Divisions. Ports of call will include Philadelphia, May 23-29, and San Juan, Puerto Rico, June 6-10.

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NEW AUTO SALES DOWN: Sales of new motor vehicles in the first quarter of this year dropped 15.2% from the same 1954 period. There were sales declines of 20.7% in March, 12.6% in February and 7.6% in January. The overall drop in retail value in the quarter was 13.1%, with the March total down 21%, February off 8.9% and January down 2.9%.

First-quarter sales of new passenger cars totalled 70,836 as against 78,774 in the like 1954 period and the retail value was \$183,-961,000 versus \$201,949,000. March sales were 30,942 versus 36,459 and the respective retail values were \$78,678,000 and \$94,616,000.

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HOME BUILDING INCREASE: A considerable increase in mortgage lending made possible the record level of housebuilding activity in Canada during 1954. Institutional lenders approved mortgage loans for new residential construction in the amount of \$632 million in 1954 compared to \$374 million in 1953 according to the latest issue of "Housing in Canada", a quarterly report of Central Mortgage and Housing Corporation.

"WATER RESOURCE DEVELOPMENT IN THE PACIFIC NORTHWEST"

POWER POLICY: Speaking on, "Water Resource Development in the Pacific Northwest," before the Pacific Northwest Trade Association at Vancouver, B.C., on May 9, the Minister of Northern Affairs and National Resources, Mr. Jean Lesage, made a statement on power developments on international waters.

"Within the energy field," he said, "we devote particular attention to water power as one of our most valuable resources. We must put it to its optimum use in Canada."

Mr. Lesage's statement said, in part:

"The Government of Canada has already made known the general principles which would serve to interpret the national interest in this respect. They require that a project must be compatible with present and future needs of the country and with the optimum development of the site and the whole watershed. If no effective use of the water resources can be made in Canada, the improvement executed in Canada to permit downstream utilization in another country must provide for benefits commensurate with the water resources thus made available.

STORAGE OF WATER

"Projects involving the storage of water in Canada to regulate the downstream flow must provide for long-term arrangements with the United States or some authority designated on its behalf and for a reasonable share of the downstream power or for a fair return in real terms. If, in order to launch a project in Canada, it is necessary to contract for the sale outside of Canada of a declining proportion of the Canadian share of downstream benefit power, then the sale of that power must be treated as an export of electricity and made subject to similar regulations as those pertaining to the Exportation of Power and Fluids and Importation of Gas Act. I use the expression 'declining proportion' to indicate that there is no intention to alienate power permanently."

"This attitude of the Government of Canada in respect to downstream benefits and to power development in general cannot be interpreted as a new trend in our thinking. It is merely an application to this particular field of a well-established policy. The Canadian Government has always thought that our natural resources should be exploited to the best advantage of our country. This is the position taken in the United States about United States resources, and it is the only responsible position that a government can take."

"We place special emphasis on energy in view of the fact that it is a strategic factor of industrial expansion in the framework of modern technology. Within the energy field we devote particular attention to water power as

one of our most valuable resources. We must put it to its optimum use in Canada. We cannot be expected to make it available outside the country on terms which could hinder our own industrial progress."....

"The Province of Ontario once thought that its power potential was much greater than its needs and that it could make part of it available to the State of New York. Just a few years later it needed that power but could not recover it. It took many years to solve this difficulty. Today, Southern Ontario has almost completely developed the full potential of its water resources and its power requirements are still increasing rapidly. Where there was once, a surplus of really cheap power, there will, in the immediate future, be an acute shortage.

"Even at the present time, the power requirements of certain areas in Southern British Columbia are doubling every seven years. There is no doubt that if British Columbia experiences a normal rate of growth, all its cheap sources of power will be required in the next two or three decades.

ECONOMIC FUTURE

"If Canada does not want to see the economic future of its west coast area jeopardized, it cannot allow the sale in the United States of on-site or downstream power from British Columbia at a price corresponding to the average cost of power presently available on that market. This power is produced at very low cost because the main projects were built during the depression and part of their cost was assigned to irrigation, flood control and navigation.

"The real value of power in the United States Pacific Northwest is represented by the cost of producing additional power from the cheapest source now available in the area. Canada cannot be expected to permit the sale of its power on the United States market at a price much lower than this cost. Is Canada reasonably to be expected to use its own resources in such a way as to encourage new industries to locate on the other side of the boundary where they will have immediate access to the United States market, where they will enjoy tariff protection and get cheap power as well? Our first duty is to use Canadian resources to foster Canadian development.

"We have always given consideration to the needs of our United States friends, and we always will, but we cannot be expected to do that to our own jeopardy. Since cheap energy is so vital a factor in industrial growth, Canada has for years taken the position that it cannot export power to the United States in perpetuity or even on a long term basis. If it did that, it would sacrifice one of the most significant factors in its industrial expansion."

sion. Canada might find itself without cheap power to process its own raw materials and forced to export those as well. Controlled water is simply electricity in storage. The same principle applies there."

"There is no easy and simple solution to the problem of downstream benefits. It is only through negotiations that we can hope to find a satisfactory compromise. Expert knowledge and a lot of goodwill will be required. Fortunately, there is an agency which is very well equipped to undertake this difficult task and to carry it on successfully: that is the International Joint Commission.

"I understand that the members of the Canadian Section of the Commission have already proposed to their colleagues of the United States that a study should be undertaken now on the problem of downstream benefits. I hope that this proposal will be accepted and that such a study will be initiated in the near future. Otherwise, further delays in the development of the water resources of the Pacific Northwest will become inevitable. . . ."

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AMBASSADOR OF PORTUGAL: His Excellency Dr. Luis Esteves Fernandes on May 16 presented to the Honourable Justice Patrick Kerwin, Deputy Governor General, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Portugal to Canada.

Dr. Fernandes has been accredited as Minister to Canada since June 1952, and his appointment as Ambassador follows the recent agreement between Canada and Portugal for the exchange of diplomatic representation at the level of Embassy.

Dr. Fernandes, who was born in 1897, is a Doctor of Laws of the University of Lisbon. He entered the Portuguese foreign service in 1920, and since then has represented his country at several posts including Paris, London, Madrid and Tokyo. In 1946 he became Director General of Economic Affairs in the Portuguese foreign ministry. In 1950 he was appointed Ambassador in Washington, the post which he will still hold concurrently with that of Ambassador to Canada.

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POLIO DROP: Only 2,381 cases of epidemic poliomyelitis were reported in Canada last year, the smallest number since 1950 and less than one-third as many as in 1953, when a record 8,878 were reported.

Canada's polio rate per 100,000 estimated population tumbled to 15.7 cases last year from 60.2 in 1953, the rate being highest in 1954 in Prince Edward Island (75.2) and lowest in Ontario (5.0). In 1953 provincial polio rates ranged from 4.7 cases in Nova Scotia to 286.4 in Manitoba.

"CAUTIOUSLY OPTIMISTIC": The Secretary of State for External Affairs, Mr. L.B. Pearson, made a brief statement on international affairs in the House of Commons on May 18 in reply to a question by Mr. John G. Diefenbaker, Progressive Conservative member for Prince Albert, Sask.

Question and answer were as follows:

Mr. Diefenbaker: "In welcoming the Secretary of State for External Affairs back to the House, I should like to ask him whether he is prepared to give a general outline of his visit to NATO and also whether in his opinion events of recent days in the U.S.S.R. are indicative of a more hopeful international attitude?

Mr. Pearson: "There may be a suitable opportunity in the near future to report on the NATO Council meeting and other developments of recent weeks, and I would be glad to take advantage of the opportunity if it should arise.

"As to the second part of the question, all I would say is that we have ground as the result of recent developments, for some satisfaction and, indeed, some optimism, but no ground for exultation or no ground for believing that we have yet reached the end of the period of the cold war. My own view is well described by the phrase that has been used by the President and the Secretary of State of the United States, namely that we can be cautiously optimistic as a result of recent developments."

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HOPES FOR TRADE TALKS: The Minister of Trade and Commerce, Mr. C.D. Howe, in the House of Commons on May 18, expressed hope for discussion of Canada-U.S. trade problems after the close of Parliament and Congress.

Asked by Mr. H.R. Argue, CCF Assiniboia, "in view of the concern in this country that United States trade policies may endanger Canadian markets, will there be another meeting at an early date of the United States-Canada Committee of Cabinet Ministers in order to discuss trade problems," Mr. Howe replied:

"This session of the Parliament of Canada is drawing to a close and the session of the Congress of the United States is drawing to a close, so I believe it would be difficult to arrange a meeting at this time. As soon as both legislative bodies complete their work I hope we can arrange a meeting."

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Total February retail sales were estimated at \$793,587,000 this year, down 1% from \$801,420,000 last year, but a 4.8% increase in January sales put the total for the first two months at \$1,632,259,000 up 1.9% from \$1,601,825,000 in 1954.



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WEEK'S EVENTS IN REVIEW

FREE GERMANY IN NATO: Following is the text of a statement made by the Secretary of State for External Affairs, Mr. L. B. Pearson, on the occasion of the NATO Ministerial Meeting in Paris, May 9:

"The historic significance of this Council meeting is apparent to us all. The German Federal Republic, as a result of agreements freely concluded, and which have been approved by our legislatures, now becomes a member of NATO - an organization devoted solely to international peace and security and welfare. We warmly welcome Chancellor Adenauer as the first representative of Germany to our Council, and as a man who has already proven his devotion to the ideals we share.

"We are here also to examine in confidence and frankness the international situation, particularly in the light of recent developments. That situation, at least in Europe, has improved. This gives us reason for satisfaction, but none for abandoning those policies which have to a large extent been responsible for that improvement.

"This Council meeting marks the successful completion of long and patient effort by those around this table and by others who are no longer with us on the Council to broaden and strengthen the basis of our NATO association.

"It marks also a new phase in the development of both European unity and the Atlantic community. France and Germany, not because they forget, but because they remember the

past, have come together in a Western European Union which includes Italy, Belgium, the Netherlands, Luxembourg and also Great Britain, whose vision across the seas has not prevented the acceptance of a new and indispensable European role. Europe, however, even a uniting Europe, is not enough, and NATO, the vigorous and hopeful expression of the Atlantic idea, is recognition of that fact.

"NATO is growing stronger and free Germany adds to that strength. This strength is, however, merely a means to an end, international peace and security. Therefore we must exploit every genuine opportunity to seek by negotiation solutions for the problems which today keep alive fears and tensions in the world.

"This remains our most important NATO task. Only strength and steadiness will see it through to a successful conclusion.

"All these things have been said so often by so many so much better than I have been able to do, that I feel almost apologetic for repeating the obvious. I am, however, grateful for the opportunity to reaffirm, and on an occasion of such momentous importance, the loyalty of the Government and people of my country to the ideals of peaceful and fruitful co-operation which inspire this great Atlantic organization, into which we now welcome our German colleagues. The developments which have culminated in this meeting give us greater reason for faith and confidence in the future."

EXPORT GAINS: Canada sold other countries more of agricultural and vegetable products, wood and paper products, non-ferrous metals, non-metallic minerals, chemicals and their products, and fibres and textiles during March and the first three months this year than in the corresponding periods of 1954, according to detailed export trade figures for March released by the Dominion Bureau of Statistics.

Sales were moderately lower for animals and animal products and for iron and its products, while exports of the miscellaneous commodities group were up slightly in the month but down in the quarter.

Shipments were up in value in both periods to the United Kingdom, other Commonwealth countries, the United States and Europe. To Latin America sales were little changed, with a decrease in March and a small increase in the quarter, while to the remaining foreign countries they were lower in both March and quarter.

Total value of exports in March was up 10.5% to \$354,900,000 compared to \$321,100,000 a year earlier, and in the three months ending March rose 11.6% to \$966,400,000 compared to \$866,300,000 in the first quarter of 1954.

Domestic exports amounted to \$348,708,000 in March, an increase of \$33,052,000 or 10.5% from \$315,656,000 the previous year, and in the quarter to \$951,121,000, a gain of \$100,-096,000 or 11.8% from \$851,025,000 last year. Foreign exports were slightly higher at \$6,146,000 in March and \$15,281,000 in the quarter.

With the major gain in wheat, exports of agricultural and vegetable products rose to \$71,443,000 in March from \$53,864,000 last year and in the three months to \$177,858,000 from \$169,109,000. Wheat shipments in March were valued at \$33,773,000 against \$20,753,000 last year and in the quarter at \$80,534,000 against \$72,793,000. There were increases also in the two periods in other grains, seeds and tobacco, while wheat flour continued lower.

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NEWFOUNDLAND SALMON: For the first time since Confederation an opening date has been set for the beginning of commercial fishing for Atlantic salmon in Newfoundland. Regulations passed by the federal Department of Fisheries set the opening date in Newfoundland for commercial salmon fishing for May 15, except in the waters from Cape St. George to Pass Island where the opening date was set for May 5.

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Canadian wheat in store or in transit in North America rose slightly to 331,161,000 bushels in the week ending April 20 compared to 329,802,000 in the previous week but was down from 350,080,000 in the corresponding week last year.

FARM INCOME DROP: The year 1954 witnessed a sharp decline in farm net income largely as a result of poor crops in western Canada. Preliminary estimates by the DBS place the year's total at \$1,125,600,000, down about one-third from the preceding year's \$1,699,600,000. The record high of \$2,154,500,000 was reached in 1951 and the average for the postwar years (1946-1953) was \$1,511,600,000.

The reduction in the 1954 net income was the result of a drop of about 19% in gross farm income far more than offsetting a decline of about 2% in farm operating expenses and depreciation charges. Gross farm income in 1954 at \$2,624,700,000 compares with the all-time high of \$3,578,500,000 in 1951 and the 1953 estimate of \$3,226,700,000. The drop from 1953 was the result of very substantial declines in cash income from the sale of farm products and the value of year-end changes in farm-held inventories of grains. Income in kind for 1954 was down about 2% from 1953.

During 1954, Canadian farmers realized \$2,377,800,000 from the sale of farm products and from participation payments on previous years' grain crops. This compares with the revised estimate for 1953 of \$2,776,000,000,-000 and the record high of \$2,849,300,000 in 1952. The decline in cash income during 1954 is attributable in large part to lower total returns from field crops and eggs more than counterbalancing increased income from the sale of live stock and dairy products. The greatest decline in cash returns for any single commodity occurred in the case of wheat.

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PETROLEUM RISE: Canadian refineries produced 14,283,325 barrels of petroleum products in January as compared with 13,559,633 barrels in January last year. Less aviation gasoline, kerosene, naptha specialties, furnace oil, heavy fuel oil, lubricating oil, and wax and candles were produced, but more motor gasoline, aviation turbine fuel, stove oil, diesel fuel, other light fuel oil, liquefied petroleum gases, petroleum feed stocks, asphalt, coke and grease.

Crude oil received by refineries during the month totalled 14,519,393 barrels, up from 13,693,704 a year earlier, receipts of domestic crude increasing to 8,684,293 barrels from 7,347,572 and receipts of imported crude decreasing to 5,835,100 barrels from 6,346,132.

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Canadians purchased \$304,653 worth of printed music from the United States the United Kingdom, France and Italy in 1954.

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Of the 517,809 miles of highway open to traffic in Canada at the end of 1953, about 37 out of every 100 miles were surfaced and 3 out of every 50 miles were paved.

NORTH ATLANTIC COUNCIL: The Department of External Affairs announced on May 5 that the Secretary of State for External Affairs, Mr. L. B. Pearson, would head the Canadian Delegation to the forthcoming Ministerial meeting of the North Atlantic Council which opened in Paris on Monday, May 9.

Mr. Pearson is accompanied at the meeting by Mr. L. D. Wilgress, Permanent Representative of Canada to the North Atlantic Council, Mr. J. W. Holmes, Assistant Under-Secretary of State for External Affairs, and other officials from his Department.

This meeting marks the entry into the North Atlantic Treaty Organization of the Federal Republic of Germany and provides an opportunity for a more comprehensive examination than usual by the Foreign Ministers of the 15 member countries of international political problems of common concern to the Alliance.

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U.S. DEFENCE CONFERENCE: Dr. Harold D. Smith, of Halifax, a Member of the Defence Research Board and President of the Nova Scotia Research Foundation, and Mr. A. Hartley Zimmerman, of Ottawa, Vice Chairman of the Defence Research Board, have been named Canadian representatives to attend from May 5 to 13 the Joint Civilian Orientation Conference sponsored by the US Department of Defence.

The conferences acquaint delegates with the status and problems of the US defence programme and seek the views of those attending on a variety of military and allied subjects.

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NAVY EXPERTS' VISITORS: Sir Hamish D. McLaren, KBE, CB, DFC and Bar, Director of Electrical Engineering, Admiralty, will visit Canada this month for discussions with the Royal Canadian Navy and representatives of Canadian shipyards and industry on mutual problems in connection with naval electrical engineering.

Sir Hamish, accompanied by Mr. A. McL. Mooney, CBE, Deputy Director of Electrical Engineering, and Mr. W. E. C. Lampert, Assistant Director, is now visiting naval establishments, shipyards and industrial plants in the United States.

The party will arrive in Hamilton May 17.

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Gross factory value of the products shipped by Canada's machinery industry in 1953 was a record \$342,344,015, narrowly above the 1952 total of \$342,302,391, according to the annual report on the industry by DBS.

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Canada's index of the physical volume of agricultural production for 1954, on the 1935-39 base, is estimated at 114.3, down sharply from the revised 1953 index of 156.2 and the all-time high of 166.1 set in 1952.

LIBRARY CIRCULATION RISE: There were 30,-779,828 books borrowed from public libraries in Canada in 1953, over 22% more than the 25,-186,234 borrowed in 1951, according to preliminary figures compiled by DBS. Over the same period the number of volumes owned by libraries increased by more than 11% to 8,413,000 from 7,565,626.

The number of borrowers increased by more than one-fifth to 1,672,774 in 1953 from 1,-390,607 in 1951 as compared with a population increase of 5.6% in the same period. Current expenditures of Canada's public libraries increased to \$7,811,464 from \$6,217,725 a jump of nearly 27%.

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RADIO-COLLEGE AWARD: At its annual meeting in Ottawa, the Canadian Association for Adult Education honored the popular CBC French-language radio series Radio-College in presenting it with the Henry Marshall Tory Award for 1955. The same award was also given to the Federated Women's Institutes of Canada "for an outstanding contribution to Canadian adult education".

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LIVING COST RISE: The consumer price index for Canada moved up from 116.0 to 116.1 between March 1 and April 1, as small increases in foods and shelter outweighed fractional decreases in other groups. Clothing, household operation, and other commodities and services indexes each declined 0.1%, while the shelter component increased by the same amount and foods advanced 0.3%.

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PETROLEUM RECORD: Canadian production of crude petroleum set another new record in January when the month's output aggregated 9,956,076 barrels versus 9,643,861 in the preceding month and 8,014,161 in the corresponding month last year. Most of the increase over a year earlier occurred in the Prairie Provinces.

* * * *

Canada's composite index of industrial production for February, according to preliminary figures, stood at 247.6, which is 3.4% above the February 1954 index of 239.4. The manufacturing component of the index rose slightly more than 1% in this comparison, to 253.8 from 251.0. The index of mineral production, however, advanced nearly 12% from 181.8 to 203.1, and the sub-index measuring output of electricity and gas rose over 13% from 250.6 to 283.5.

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Canada's fishing industry is planning to bring the lobster within the budget of the average housewife through the medium of a new product, "lobster cocktail."

MANUFACTURERS' SHIPMENTS: Canadian manufacturers' shipments last year had an aggregate value of \$17,305,643,000, down 2.6% from \$17,771,030,000 in 1953, according to estimates released by the Dominion Bureau of Statistics. After declines in each of the other quarters, fourth-quarter shipments rose in value to \$4,332,161,000 compared to \$4,324,925,000, reducing the aggregate decline for the year. The 1954 total compares with \$16,939,275,000 for 1952.

Shipments were lower in value last year than in 1953 for each of the four groups of industries by economic use. Consumers' goods shipments were down to \$10,724,108,000 from \$10,832,031,000, a gain in non-durables being outweighed by declines in semi-durables and durables.

Shipments of non-durables were valued at \$6,860,226,000 compared to \$6,569,800,000; semi-durables at \$2,066,809,000 against \$2,226,924,000; and durables at \$1,797,073,000 against \$1,035,307,000.

Shipments of producers' goods declined to \$3,325,717,000 from \$3,493,772,000; of capital goods to \$1,838,203,000 from \$2,020,471,000; and of construction goods to \$1,417,615,000 from \$1,424,756,000. In the fourth quarter, shipments of capital goods were down, but those of the other three groups higher.

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FIVE-FOLD INCREASE: Gross value of sales in Canada's crude petroleum industry was at an all-time high of \$204,481,012 in 1953, up from \$139,596,851 in 1952 and more than five times the 1948 total of \$37,388,975, according to the annual report on the industry by DBS.

The number of operating wells increased to 7,056 in 1953 from 5,833 in the preceding year and were nearly two and a half times the 1948 total of 2,581. The industry's employees numbered 4,150 as against 3,702 in 1952 and 1,641 in 1948, and the payroll rose to \$16,430,201 from \$14,610,821 in the preceding year and \$4,391,929 five years earlier. The cost of process supplies increased to \$3,020,756 from \$2,502,154 in 1952 and compared with \$112,952 in 1948.

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National Housing Act undertakings-to-insure were issued to approved lenders for 7,297 loans amounting to \$81,132,416 for 8,577 housing units during the first three months of 1955, Central Mortgage and Housing Corporation reported May 2.

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In the third week of April 7,191 cars of freight were loaded on Canadian railways, an increase of 18.5% over the low 1954 total of 59,245 but less than the 78,862 loaded in the corresponding week of 1953.

\$1,700,000,000 ON HIGHWAYS: Close to \$1,-700,000,000 was spent on highways and bridges in Canada in the five years ending March 31 last year, DBS reports. About \$1,000,000,000 of this went for new construction and major reconstruction work. In the same period, another \$321,000,000 was spent on roads, streets and bridges in urban municipalities, with more than \$180,000,000 going for new construction and major improvements.

As a result, the surfaced mileage of Canada's highways rose from 150,493 miles to 190,997, while paved and bituminous surfaces were 50% longer at 30,731 miles compared with 20,651 at the start of April 1949. Surfaced roads increased from 27.1% of all highways open to traffic in 1948 to 36.9% at the end of 1953, and in the same period paved highways rose from 3.71% to 5.93% of the total. The increase, however, has failed to keep pace with the growing number of motor vehicles in Canada. In 1948 there were 13.5 motor vehicles per mile of surfaced highway in Canada and by 1953 the number had increased to 18.

Expenditures on roads and highways outside urban areas during 1953 were \$397,068,159, some 1.8% below the 1952 peak of \$404,291,421.

The ten provincial governments spent \$341,501,941 in 1953, a decrease of 2.5% from the 1952 figure of \$350,248,566. Federal expenditures on highways were up from \$25,034,650 to \$26,759,571.

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STORE SALES UP: Sales of department stores across Canada were 13.6% above last year's level in the week ending April 23, DBS reports. Gains were reported in all regions except Saskatchewan and Alberta, where declines of 8.8% and 6.8% respectively were recorded. The sharpest boost was an increase of 23.4% in British Columbia.

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Operating revenues of the C.N.R., the C.P.R. and 15 other railways totalled \$82,833,461 in January, nearly 6% above the \$78,283,505-total for the 16 railways reporting a year earlier, according to the Bureau's monthly report. Operating expenses totalled \$80,247,547, a decrease of 2% from \$81,877,858 in January last year. This left a net operating revenue of \$2,585,914 as compared with a net operating loss of \$3,594,353 a year earlier.

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With increases in four of the eight major groups offsetting decreases in the other four, the general wholesale price index registered no change between February and March, remaining at 217.4, according to the Bureau's monthly report on prices and price indexes. The index is on the base of average 1935-39 price equalling 100.

ECONOMIC DEVELOPMENT: Summarizing what he said he regarded as a probable major trend in the future economic development of Canada, the Governor of the Bank of Canada, Mr. J. E. Coyne, concluded an address before the Dominion Mortgage and Investment Association, in Montreal on May 5, as follows:

"I would say that what might be called a tendency towards Canadianization of our economy, as opposed to Continentalization, will manifest itself in a number of ways as our economy grows more mature and greater pools of savings surplus to immediate requirements accumulate in the hands of the Canadian people.

"The decrease in percentage of gross national product represented by exports and imports, the growing consumption within Canada of our agricultural and other natural products, the greater development of secondary industry and the more balanced national development resulting therefrom, the repatriation of at least some share in foreign-owned Canadian enterprises, a greater measure of autonomy and independence on the part of Canadian management, the continued development of communications in Canada, the knitting together of our widely separated centres of population by trade as well as by railroads, highways and national radio and television networks and other cultural movements are all features of this development, and of growing national strength."

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JOB FOR U. GRADS: Employment opportunities for this year's university graduates appear to be about as plentiful as a year ago, stated the Minister of Labour, Mr. Gregg this week.

The Minister said that more than 17,000 employment openings were recorded by the National Employment Service from all sources up to April 30. Of this number, 4,845 were for graduates while the remainder were summer jobs for undergraduates.

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IMMIGRATION: Immigration to Canada during the first quarter of 1955 totalled 17,627, the Department of Citizenship and Immigration has announced. This compared with 28,223 in the same period last year.

The largest national group among the immigrants was that from Italy numbering 4,418, and the second largest the group from the British Isles numbering 4,356.

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ONTARIO ELECTION: Premier Frost of Ontario on May 2 announced June 9 as the date of an Ontario general election.

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During the three months ended March 1 this year the population of Canada increased by 72,000, an average of 800 a day.

ARMY KOREAN RECORD: As Canada's commitments in the Far East dwindle, Canadians can look back with pride on the part the Canadian Army played in the Korean fighting, Army Headquarters said in a review of its record in Korea.

More than 29,000 members of the Canadian Army, including 48 nursing sisters, served in the Far East as an integral part of the 1st Commonwealth Division. Of this number, 309 died from other causes while serving overseas. More than 1100 were wounded in action.

On the other side of the ledger, Canadian troops won a total of 344 decorations for gallantry or outstanding service in the Far East, including six foreign decorations. One battalion, the 2nd Battalion, Princess Patricia's Canadian Light Infantry was awarded a United States Presidential Citation for its part in a bitter two-day battle April 24-25, 1951.

For the Canadian Army, the Korean story began August 7, 1950, when it was decided to recruit and train a special infantry brigade group for service with United Nations forces in the Far East.

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AMBASSADOR OF BRAZIL: The Department of External Affairs announced on May 10 that His Excellency Afranio de Mello Franco presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Brazil to Canada. The ceremony took place at Government House.

Mr. Mello Franco was born in 1901. He is a career diplomat, having joined the Brazilian Ministry of Foreign Affairs in 1924. He has served in Montevideo, Berne, London, Paris, Santiago, Buenos Aires and Washington, and before his appointment to Canada, was Ambassador to Costa Rica. He has also represented his country at a number of international conferences and has held various posts in the Brazilian Foreign Ministry.

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Canadian output of wheat flour during March amounted to 1,892,556 barrels, up from 1,831,583 barrels in March last year and the highest monthly production since last October. Production for the August-March period of the crop year was up to 14,271,236 barrels compared to 13,969,692 for the same period of the 1953-54 year.

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Boosted by a 31% increase in March, the number of new housing units completed in Canada jumped almost 20% in the first quarter this year to 24,313 from 20,327 in the first three months of 1954.

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Canadian manufacturers shipped \$17,305,- 643,000 worth of products last year, \$465,- 387,000 worth or nearly 3% less than in 1953.

REORGANIZATION IN KOREA: The following statement regarding Canadian forces in Korea was made in the House of Commons by the Minister of National Defence, Mr. Ralph Campney, on May 9:

"As the House is aware, the 2nd Battalion Queens Own Rifles of Canada, which had completed its normal tour of duty with the Commonwealth forces in Korea, embarked on April 6 and has now returned home.

"Discussions concerning the reorganization of the Commonwealth forces in Korea are continuing between the Commonwealth Governments concerned and the United States Government which, at the request of the United Nations, provided the Unified Command for the United Nations forces in Korea.

"Pending the outcome of these discussions, the Canadian destroyer HMCS "Sioux", and the 3rd Canadian Field Ambulance, Royal Canadian Army Medical Corps, supporting the Commonwealth forces, will remain in Korea.

"It is not intended to replace the Queens Own Rifles in Korea; and the 1st Battalion Royal Highland Regiment of Canada (Black Watch), which would have relieved the Queens Own, will continue its normal training at Aldershot, Nova Scotia."

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SASKATCHEWAN FLOODS: A spring storm swept the Province of Saskatchewan on May 3 causing what was described as some of the worst flooding in the Province's history.

An estimated 2,000,000 to 4,000,000 acres of land have been flooded by spring rains and Saskatchewan officials are preparing a detailed report for the federal Government which has been asked for assistance.

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WHEAT EXPORT UP: Visible supplies of Canadian wheat on April 27 totalled 328,052,000 bushels, 6% below last year's 348,731,000 bushels. Marketings of wheat from farms in the Prairie Provinces during the week fell to 3,127,000 bushels from 3,432,000 but overseas export clearances rose sharply to 4,007,000 bushels from 1,915,000.

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Centennial celebrations on Parliament Hill in Ottawa on May 26 will honour Canada's oldest military formation, the Royal Canadian Artillery.

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A Prince Edward Island general election will be held on May 25.

"DAMBUSTER SQUADRON": Five RCAF officers, former members of the Second World War 617 "Dambuster Squadron", are leaving for London, Eng., this week to attend the world premiere of the English film, "The Dambusters" depicting the epic attack which took place 12 years ago on strategic German dams, it was announced by Air Force Headquarters.

It will be held in London, May 17, and the five Canadian officers, the only members of the famous squadron still serving in the RCAF, who will attend are: Wing Commander Joseph C. McCarthy, DSO, DFC, of Ottawa, W/C D. Revie Walker, DFC, of Blairmore, Alta., Squadron Leader Kenneth W. Brown, CGM, of Moose Jaw, Sask., S/L Donald A. MacLean, DFM, of Toronto, and Flight Lieutenant Percy E. Pigeon, DFC, of Williams Lake, B.C.

The film is based on the historic attack which took place on the night of May 16, 1943, when a force of 13 Lancasters were detailed to attack and breach the Moehne, Eder and Sorpe dams, situated in the heart of the German industrial centre along the Ruhr valley. Though the target area was heavily defended the squadron was successful in breaching the dams. Five of the 13 Lancasters and crews did not return to base.

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SPANISH MINISTER HERE: The Department of External Affairs announced on May 11 that the Honourable Rafael Cavestany y de Anduaga, Minister of Agriculture for Spain, accompanied by his wife and daughter and Spanish Government officials, would arrive in Ottawa that evening for a visit of a few days in Canada.

While in Ottawa, Mr. Cavestany, who is the first Spanish Cabinet Minister to visit Canada, will meet various Government officials, particularly in the Departments of Agriculture and Trade and Commerce. He will pay a courtesy call at Government House, hold a press conference and attend a luncheon given in his honour by the Minister of Agriculture.

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The Canadian film Blinkty Blank, produced by Norman McLaren of Ottawa, received top prize for short films, the Palme d'Or, at the International Film Festival at Cannes, France, it was announced from Cannes, May 11.

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Initial and renewal claims for unemployment insurance benefit received in local offices across Canada during March totalled 243,544, up from 236,847 in February but below the total of 248,421 in March last year.



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WEEK'S EVENTS IN REVIEW

VIET NAM: "The situation with respect to freedom of movement for refugees from Viet Nam, which was provided for under article 14(d) of the armistice agreement, is not satisfactory, nor does the International Supervisory Commission regard it as so; certainly the Canadian member on that Commission does not," said the Secretary of State for External Affairs, Mr. L.B. Pearson, in a statement to the House of Commons on May 3.

Mr. Pearson had been asked by Mr. J.G. Diefenbaker, (P-C Prince Albert) on April 29, questions regarding the situation in Indo-China and had then promised a statement to the House of Commons.

"The Commission", he proceeded, "announced early in February last that it had found that the procedure to ensure this movement by the issue of travel permits was cumbrous and complicated, and that fears current among the population in North Viet Nam had tended to make them reluctant to apply to the authorities for such permits.

"Action was taken by the Commission which it was hoped would facilitate the proper and more effective implementation of this part of the agreement. However, reports to the effect that people in North Viet Nam were still being prevented from exercising their rights of freedom of movement have persisted. Therefore the International Commission recently sent three further mobile teams, on each of which,

of course, there was a Canadian, to make a special survey of those areas in North Viet Nam concerning which complaints had been made.

"On the basis of the reports of this survey the Commission is now determining what further action is necessary.

"There are, of course, limitations on the effectiveness of international inspections by the Commission in this and in other matters. Some of these limitations are inherent in the cease-fire agreement itself. It reflects the fact that the Commission is not a supranational body, that it does not have any executive responsibilities with respect to the carrying out of the agreement and that its inspection teams do not in any sense constitute international police detachments.

"The Commission can only operate with the effective co-operation of the parties to the agreement and it does not always receive that co-operation, especially in this question of freedom of movement, from the Communist Government in North Viet Nam, and that is the main reason why in this matter the results have been disappointing, to say the least.

"I would not wish anyone to think that our representatives on the International Commission for Viet Nam are satisfied with the way freedom of movement provisions of the armistice agreement are being carried out. They are not satisfied, and the Government fully shares that dissatisfaction. Our views have been

stated very clearly in the International Commission in Viet Nam, and have; I think, had some effect on the decisions of the Commission.

"If one of the parties to the agreement is evading its clear obligations and responsibilities with respect to the freedom of movement for civilians, it is not going unnoticed by our representative on the Commission or by the Government.

"But this is not a situation, I suggest, which will be solved merely by letting off steam. We are convinced that in order to ensure that the provisions of the agreement are carried out to the greatest degree possible in the circumstances, we must continue to work through our representative on the Commission in the same manner as we have done over the last 8 months, pressing for better performance in every way possible and exposing violations when they can be detected. That still seems to us to be the most likely method of ensuring that the greatest possible number of people who wish to do so can leave North Viet Nam for the south.

"There have been suggestions in some quarters that Canada might withdraw from the Commission as a gesture of protest about the way the Commission has been prevented from correcting the situation with respect to freedom of movement. Such a move would, however, prejudice also the fulfilment of the main military provisions of the agreement, thus creating new tensions and possibly jeopardizing the maintenance of peace, not only in Viet Nam, also in the neighbouring countries of Laos and Cambodia.

PERSPECTIVE

"Nor would our withdrawal be of any assistance whatsoever to those in North Viet Nam who want to leave. Indeed, it might eliminate any remaining hope that their lot might be alleviated. We must, therefore, keep our sense of perspective in this matter; but without condoning or forgetting some of the terrible things that are being done.

"A question was asked also by the hon. member for Prince Albert (Mr. Diefenbaker) the other day as to the possibility that the time for freedom of movement for refugees might be extended beyond the terminal date, which is May 18, I think. The Commission is actively concerned with finding ways and means of ensuring that this provision of the cease-fire agreement is properly implemented, and it will, I am sure, consider the possibility of an extension, if necessary; but any extension of the period would require the concurrence of both parties to the cease-fire agreement, whose full co-operation would be required if an extension were to provide a real solution to the problem.

"I tabled today copies of the first interim reports of the Commission for Viet Nam and the second interim report. But I should like to point out now and emphasize that the reports

of the Commission were in each case prepared by the Commission as a whole, including the Polish and Indian members as well as the Canadian representative. It may be that these reports, therefore, do not reflect entirely our dissatisfaction with the freedom of movement position.

"I understand that the Viet Nam Commission has recently completed a third interim report which is now being forwarded to the Geneva conference powers, as indeed the first two have been. In connection with the submission of this report, steps have been taken by the Canadian representative to ensure that the unsatisfactory situation with respect to the carrying out of the provisions in the agreement for freedom of movement for the civil population will be given special attention."

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TRADE COMMISSIONER: The Minister of Trade and Commerce, Mr. C. D. Howe, has announced that an office in the Canadian Trade Commissioner Service has been established in Salisbury, capital of the Federation of Rhodesia and Nyasaland.

Mr. Wiley J. Millyard, of Toronto, has been appointed Canadian Government Trade Commissioner in charge of this new office, following a three-year period as Commercial Secretary for Canada in Bogota, Colombia.

Prior to the federation of Southern Rhodesia, Northern Rhodesia and Nyasaland, which took effect in 1953, these territories in the heart of Africa, were the responsibility of the Canadian Government Trade Commissioner in Johannesburg, South Africa. Following a survey of trade possibilities, it was decided that the interests of Canadian businessmen and exporters could be advanced more effectively by an officer resident in Salisbury.

It has also been announced that British East Africa, consisting of Kenya, Tanganyika and Uganda, has been transferred from the jurisdiction of Canada's office in Johannesburg to that in Salisbury.

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VISIT POSTPONED: The Minister of Labour Mr. Gregg, announced at noon May 3 that unforeseen developments in Washington had delayed the visit to Ottawa of Honorable James P. Mitchell, United States Secretary of Labor. The Secretary of Labor expressed great regret that he was forced to postpone his visit.

The United States Secretary was to arrive in Ottawa May 3 and remain here until May 5. His plans involved informal discussions with Government leaders, on matters of mutual concern in the labour field.

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\$436,529 worth of flower pots, stoneware and other pottery was made by the domestic clay products industry last year, \$38,538 worth or 8% less than in 1953.

WAGE, SALARY SCALES: The federal Department of Labour has released in the current issue of the Labour Gazette the results of a special study of wage rates, available in most instances for the first time, in a variety of occupations in manufacturing industries in the Montreal area. The study also includes information on salaries of office workers comparable with that made available in previous years. The statistics were obtained by a survey conducted in October, 1954.

The average wage per hour for occupations studied are as follows:

Carpenter	\$ 1.58
Crane Operator	1.51
Electrician	1.75
General Labourer	1.24
Janitor	1.18
Machinist	1.75
Mechanic	1.63
Millwright	1.64
Shipper	1.26
Stationary Engineer (1)	1.59
Stationary Fireman	1.39
Tool and Die Maker	1.82
Truck Driver	1.40
Labourers	1.24

Average salary per week, for some office occupations in the Montreal area at October, 1954 are as follows:

Bookkeeper, Sr., Male	\$68.17
Female	56.39
Bookkeeper, Jr., Female	43.10
General Office Clerk, Sr.,	
Male	72.79
Female	56.91
General Office Clerk, Jr.,	
Male	39.47
Female	36.16

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AMBASSADOR OF EGYPT: The Department of External Affairs announced May 3 that His Excellency El-Husseini El-Khatib presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Egypt to Canada. The ceremony took place at Government House.

The Secretary of State for External Affairs, Mr. L. B. Pearson, was in attendance on the Governor General on this occasion. The Chief of Protocol, Mr. E. D'Arcy McGreer, presented the Ambassador to the Governor General.

Mr. El-Khatib was born in 1903. After graduating in Cairo with a "licence en droit" he entered the Egyptian Foreign Service. Since then, he has held a number of diplomatic and consular posts in the Near East, Europe, the United States and India. Before his appointment to Canada, he was serving as Ambassador in Djeddah.

SEAWAY CARGOES: The Minister of Transport, Mr. George C. Marler, envisions an increase "in the number of ships coming to Toronto from overseas ports and in the volume of cargo brought here directly" as a "natural consequence of the deepening of that part of the St. Lawrence River between Prescott and Montreal." Mr. Marler made this statement at a ceremony in which he officially opened a new Marine Terminal building at Toronto on May 4.

Pointing out that 20 lines with some 115 to 125 ships were expected to ply between European ports and the new terminal at Toronto harbour this year as compared with only two lines and a total of eight ships in 1949, Mr. Marler expressed the belief that the Seaway would bring further increases "both in the number of ships coming to Toronto from overseas ports and in the volume of cargo brought here directly."

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BUDGET DEBATE: The C.C.F. want-of-confidence motion in the budget debate, which would have had the House declare the Government to have failed "to provide assistance to the provincial governments in order to enable them to plan their financing in such a manner as to relieve the people of this country from the crushing load of heavy municipal taxation," was defeated in the House of Commons May 3. The vote was 131 to 65.

The C.C.F. submission was proposed as an addition to a Progressive Conservative motion presented at the outset of the budget debate, April 19.

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WOMEN IN INDUSTRY: Of every thousand persons employed by Canadian industry at the start of February, 229 were women, the largest February proportion since 1950, according to the Bureau's monthly report on employment and payrolls.

Industrial employment in Canada was 1.1% below the 1954 level at the start of February. However, the decline over the 12 months was sharper for men than for women, amounting to 1.3% and 0.4% respectively.

Compared with a month earlier the February level of industrial employment was down 3%, with a sharper decline for women (3.2%) than for men (2.9%).

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AUTO SHIPMENTS: Canada's automotive industry shipped 31,827 motor vehicles in February, over 28% fewer than in February last year, when the number shipped totalled 44,268. With a drop of 27% in January, total shipments in the first two months this year were down to 61,230 from 84,578.

On the other hand, shipments of imported U.S. vehicles increased to 1,905 from 1,876 in February and to 4,050 from 3,103 in the first two months. The increase was mainly the result of larger shipments of convertible cars and most types of trucks.

FEBRUARY IMPORTS GAIN: Final detailed figures on Canada's commodity imports in February show that the gain over a year earlier was widely spread among commodities, and that the major gain among countries was in larger purchases from the United States.

Total value of imports in the month was \$307,900,000, up 5.2% from \$292,600,000 a year earlier. Average import prices were slightly higher than in February, 1954, the volume of imports showing a gain of 4.3%. In the two months, January and February, the value of imports was up to \$614,500,000 from \$572,800,000 last year.

Imports from the United States increased to \$232,692,000 from \$217,449,000 last year, practically the same dollar gain as for total imports. In the two months, purchases from the United States rose to \$460,740,000 from \$420,-129,000, also about the same as total imports.

Purchases from the United Kingdom in February fell off to \$25,562,000 from \$29,026,000, reducing the two-month total to \$53,108,000 compared to \$57,329,000. Imports from other Commonwealth countries rose slightly in February to \$10,787,000 from \$10,464,000, the two-month total rising to \$22,119,000 from \$19,-477,000.

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POPULATION 15,482,000: The people of Canada numbered 15,482,000 at the start of March, 72,000 or one-half of 1% more than at the beginning of December and 399,000 or 2.6% more than on March 1 last year, according to the quarterly estimate by the Dominion Bureau of Statistics.

The increase in the three months ending March 1 this year compares with 78,000 and 68,000 in the corresponding periods a year and two years ago, and works out at an annual rate of 1.9% as compared with 2.1% and 1.9%, respectively. The largest quarterly increase since the 1951 Census was 118,000 in the three months ending September 1 last year.

The March-May and June-August periods usually have the largest gains, due mainly to the heavier inflow of immigration in spring and summer months.

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LIBERATION CEREMONY: A 200-man contingent from the 1st Canadian Infantry Brigade and the band of the Royal Canadian Artillery will represent the Canadian Army during 10th anniversary Netherlands liberation ceremonies on May 5 at Wageningen. Troops from the United Kingdom, United States, France, Belgium and Luxembourg, as well as Canada, will march in review before Queen Juliana.

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Quebec is Canada's largest province, with an area equal to the combined areas of France, Germany and Spain.

RECORD SECURITIES TRADE: Canada's trade with other countries in outstanding securities was at a record high level in February, purchases amounting to \$97,200,000 as compared with \$88,100,000 in January and \$40,400,000 in February last year, and sales totalling \$85,-400,000 versus \$81,800,000 in the preceding month and \$53,100,000 a year earlier.

Purchases exceeded sales by \$11,800,000 as compared with \$6,300,000 in January, and contrasted to a year earlier when sales outvalued purchases by \$12,700,000. The purchase balance was the largest since June 1953.

Transactions with the United States resulted in a purchase balance for the third month in a row, and the \$17,200,000 net outflow compared with \$11,700,000 in January and a sales balance of \$6,600,000 in February last year.

Trade with the United Kingdom left a sales balance for the fifth consecutive month, the \$4,300,000 inflow comparing with \$4,800,000 in January and \$3,200,000 a year earlier.

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TRADE AGREEMENT: The Department of External Affairs announced on April 20 that Instruments of Ratification of the Trade Agreement between Canada and Portugal were exchanged by the Chargé d'Affaires of Portugal, Mr. G. Caldeira Coelho, and the Secretary of State for External Affairs, Mr. L. B. Pearson.

This Agreement, which is the first trade agreement between these two countries, was signed at Lisbon May 28, 1954. It has been provisionally in effect since July 1 of last year. The Agreement provides for the continued exchange of most-favoured-nation treatment with respect to customs duties and related matters.

The exchange of the Instruments of Ratification bringing into force the Trade Agreement reflects the continuing close and friendly relations between Canada and Portugal.

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A-TRAINING IN GERMANY: Atomic warfare training using radioactive materials is being carried out on a large scale by units of the 1st Canadian Infantry Brigade in West Germany.

Aim of the training is to teach soldiers to protect themselves in the event of atomic attack. Unit teams will be trained to monitor radioactive areas. The teams will use special instruments to detect and plot locations and intensities of radioactivity.

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Mr. B.G. Ballard, O.B.E., B.Sc., F.I.R.E., Vice-President (Scientific) of the National Research Council of Canada and Director of NRC's Division of Radio and Electrical Engineering, has been made a Fellow of the American Institute of Electrical Engineers. The citation reads: "for his contribution in applying electrical engineering technology to problems of national defence".

CORPORATION PROFITS: Profits before taxes of Canadian corporations were more than 5% above the 1953 level in the fourth quarter last year but declines in the first three quarters put the 1954 total at an estimated \$2,414,000, -000, some \$156,000,000 or slightly more than 6% less than in the preceding year, according to the quarterly report by the Dominion Bureau of Statistics.

Net earnings of Canadian corporations totalled \$3,469,000,000 last year, \$101,000,000 or nearly 3% less than in 1953. Deductions for depreciation amounted to \$1,055,000,000, an increase of \$55,000,000 or 5.5%, and deductions for income tax (estimated at 47% of profits before taxes in both years) totalled \$1,152,000,000, a decrease of \$64,000,000 or more than 5%. This left profits after taxes of \$1,262,000,000, some \$92,000,000 or nearly 7% less than in 1953.

There was considerable variation between industries in changes in corporation profits last year. Profits before taxes in the mining, quarrying and oil wells group jumped nearly 16% to \$243,000,000 from \$210,000,000 in 1953, with the sharpest increase (nearly 67%) in the fourth quarter. The finance, insurance and real estate total rose nearly 9% to \$245,000,-000 from \$225,000,000, with gains registered in all quarters.

In the trade sector profits before taxes were appreciably lower last year, the wholesale trade total dropping over 17% to \$161,-000,000 from \$194,000,000 and the retail trade total nearly 16% to \$127,000,000 from \$151,-000,000.

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WORKERS' CONTRACTS: "While strikes and rumors of strikes make the headlines, the peaceful negotiation of union contracts is the general rule rather than the exception", stated the Minister of Labour, Mr. Gregg, in commenting on a study of collective agreements made by the Economics and Research Branch of his Department.

The Minister explained that nearly all the collective agreements of which the Department of Labour has a record are re-negotiated regularly with relatively little disruption to production. In 1953, the year for which the latest study was made, there were 6,510 agreements in effect and on file in the Department.

The number of non-agricultural wage and salary workers in Canada covered by provisions of collective agreements in 1953 stood at 1,538,323.

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More gold was mined this February in all producing areas except the Prairie Provinces, British Columbia and the Yukon and total Canadian output amounted to 351,096 fine ounces as compared with 310,717 in February last year.

BIG DROP IN WHEAT INCOME: The Dominion Bureau of Statistics now places the cash income of Canadian farmers from the sale of farm products at \$2,377,800,000 for 1954, a decrease of 14.3% from the revised 1953 total of \$2,-776,000,000 and 16.5% below the all-time high of \$2,849,300,000 in 1952. The latest estimate is a downward revision of \$30,800,000 from the estimate published by the Bureau on January 13.

Nearly all of the reduction in farm cash income last year was in the Prairie Provinces and was largely the result of the substantial decrease in the marketings of grains, particularly wheat, and lower prices for both wheat and barley. Declines in these provinces ranged from about 15% in Manitoba to roughly 36% in Saskatchewan.

Farm cash income in Ontario, the only other province with reduced receipts in 1954, was down by about 2%. Gains were registered for the remaining provinces and ranged from less than 1% in British Columbia to about 5% for Prince Edward Island.

Income from the sale of wheat fell from \$654,100,000 in 1953 to \$322,600,000 in 1954 and this was the largest drop for any single commodity.

In contrast to the generally lower income from the sale of field crops, receipts from the sale of live stock during 1954 amounted to \$705,100,000, about 7% more than in 1953.

Income from dairy products in 1954 is estimated at a new record high level of \$426,-200,000, 2.5% above the 1953 peak of \$415,940,-000.

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WHEAT SUPPLY: Canadian wheat in store or in transit in North America declined to 329,-802,000 bushels in the week ending April 13 from 330,528,000 in the preceding week and 351,601,000 in the corresponding week last year, DBS reports.

During the week Prairie farmers marketed 2,787,000 bushels of wheat, a substantial reduction from 3,575,000 bushels in the week ending April 6 and 3,687,000 moved in the week ending April 14 last year. This put total marketings in the August 1 - April 13 period of the current crop year at 161,419,000 bushels as against 272,573,000 bushels in the corresponding period a year earlier. Overseas exports declined to 1,963,000 bushels in the latest week from 2,734,000 last year, but the cumulative total was up to 147,164,000 bushels from 141,850,000.

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Six naval vessels were launched at Canadian shipyards in 1953, twice as many as in 1952.

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31,474 cwt. of Canadian trout worth \$994,-144 were exported last year, almost all to the United States.

CONTINUED EXPANSION IN FOREIGN TRADE

MARCH FIGURES: Canada's foreign commodity trade in March continued its recent expansion with further increases over last year both in exports and imports, according to preliminary figures for the month by the Dominion Bureau of Statistics. In contrast with January and February, when the gains in exports exceeded those in imports, the latter showed a greater rise in March.

Exports were higher in value in March than a year earlier alike to the United Kingdom, other Commonwealth countries, the United States and the remaining foreign countries taken together, and the aggregate for the three months was greater than in 1954 to all except the latter. Imports from all four groups were also higher in the month, with the major gain from the United States, but were lower from the United Kingdom in the quarter than last year.

Total exports in March rose 10.5% to \$354,800,000 from \$321,200,000 a year earlier, while commodity imports climbed 15.2% to \$406,700,000 from \$353,000,000, making an import surplus of \$51,900,000 as against one of \$31,800,000 a year ago. In the three months ending March this year exports totalled \$966,400,000, up 11.6% from \$866,300,000 last year, and imports aggregated \$1,021,200,000 for a rise of 10.3% from \$925,900,000. The import balance for the quarter thus decreased to \$54,800,000 compared to \$59,600,000.

March exports to the United States rose moderately to \$214,900,000 from \$205,200,000 last year, while imports from the United States increased substantially to \$316,000,000 from

\$270,000,000, raising the import surplus to \$101,100,000 as against \$64,800,000. In the January-March period exports to the United States were up to \$579,600,000 from \$537,200,000, and imports to \$776,700,000 from \$690,100,000, the import surplus at the end of March rising to \$197,100,000 compared to \$152,900,000 a year earlier.

Shipments to the United Kingdom in March moved up to \$65,600,000 against \$52,800,000 a year earlier, while imports from the United Kingdom rose slightly to an estimated \$32,400,000 from \$30,900,000, producing an increased export surplus of \$33,200,000 versus \$21,900,000. In the three months, exports were up substantially to \$183,800,000 from \$135,900,000, but imports were slightly lower at \$85,500,000 against \$88,200,000, the export surplus thus rising to \$98,300,000 compared to \$47,700,000.

Exports to other Commonwealth countries rose in March to \$18,900,000 from \$13,700,000 last year, and imports to \$13,300,000 from \$9,400,000. In the quarter, exports totalled \$52,500,000 against \$37,400,000, and imports \$36,100,000 compared to \$28,900,000.

Shipments to all foreign countries other than the United States moved up in March to \$55,400,000 from \$49,500,000, but for the three months were below last year at \$150,500,000 compared to \$155,500,000. Imports from these countries in the month increased to \$45,000,000 from \$42,700,000, and in the quarter to \$122,900,000 from \$118,700,000.

* * * *

REHABILITATION: At the first Conference of its kind in Canada, eight recently-appointed provincial co-ordinators of rehabilitation met in Ottawa recently to discuss Canada's developing federal-provincial program of rehabilitation for the civilian disabled.

The purpose of the meeting was to provide an opportunity for the co-ordinators to meet and discuss mutual problems with officials of the three federal Government Departments concerned with the overall rehabilitation program --the Departments of Labour, National Health and Welfare, and Veterans Affairs.

* * * *

February sales of Canadian chain stores totalled \$147,734,000 this year as against \$143,218,000 last year, an increase of 3.2%, according to the monthly report by DBS.

* * * *

Sales of department stores across Canada averaged 2.4% higher than last year in the week ending April 16, DBS reports.

PIPED OIL RECORD: During February 16,074,232 barrels of oil flowed through Canadian pipe lines, an increase of almost 17% over the 13,776,527 barrels transported in the same month last year, DBS reports. This worked out to a new record daily movement of 574,080 barrels and compared with the previous high of 568,295 barrels a day in the preceding month and last year's February average of 492,019 barrels a day.

Net deliveries in the first two months of this year amounted to 33,690,271 barrels, an increase of 15% over the 29,186,248 barrels delivered in January-February last year.

* * * *

Reduced by strikes in the Porcupine area of Ontario and in northwestern Quebec in 1953, gold production declined to 4,055,723 fine ounces worth \$139,597,985 from 4,471,725 fine ounces worth \$153,246,016 in 1952. This brought the total recorded Canadian production since 1858 to 125,911,808 troy ounces valued at \$3,885,454,554.



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

EXTERNAL AFFAIRS: Ending the debate on external affairs which started in the House of Commons on March 24, the Secretary of State for External Affairs, Mr. L.B. Pearson, on April 21, stressed once more the importance of Canada's relations with the United States and said that "that relationship, vitally important as it must be to us and as it has been in the past, will be even more so in the future."

A relationship to be successful on both sides, he said, "must be based on mutual respect, a freedom to hold and to express our own views." And this relationship must also be based on recognition of the fact "that if our coalition, which is now headed by the United States, breaks up, then indeed there will be a grave danger to peace and security."

Discussing international developments in the Far East, Mr. Pearson said:

"Discussion of that subject has, to a very large extent in this debate, revolved around our Canadian relationship with the United States, to a point where it has been difficult at times to disentangle the two things. I think it is a normal and healthy sign that we should be so preoccupied in this House in a debate on external affairs with the most important aspect of our foreign relations at the present time namely our relationship with the United States of America.

"I think of that relationship, important as it is bilaterally to us, in terms of collective action, in terms of collective defence, not

merely as something between Canada and the United States, but as something between Canada, the United States and its friends in NATO and in the United Nations. I also try to distinguish in this defence relationship with the United States, the problems which may come from what we have begun to call peripheral conflicts from those which will be posed by a major all-out war of extermination.

"So far as these peripheral wars, those smaller wars, if you wish to call them that, are concerned, Canada, both through its relationship to the United States and through its relationship to the United Nations or to NATO, might be involved in them. But Canada can hardly remain aloof from the latter. We are also concerned with those smaller conflicts because of the danger that they may spread into a larger conflict.

"There is no better example of that danger than the situation in and around Formosa and the coastal islands. It is possible of course, that even if trouble were at the beginning limited to that area, it might spread to this continent. If it did spread to this continent it would be very difficult for us to remain aloof from its effect. The facts of geography apart from other things, would indicate that. Well, how can it spread? It might spread not by any all-out massive attack from some Chinese Communist Government on the North American continent, because that would not be possible under present conditions. It might

spread by a reaction on the part of the Chinese Government's allies, a reaction on the part of the Soviet Union, which would result in a massive all-out attack on this continent, the Soviet Union being the only power today on the other side which is capable of that kind of reaction.

"Now, if that reaction took place as a result of a local conflict in China, that would be an aggression; it would be a violation of the United Nations charter and we would be asked to undertake the commitments which we have accepted as members of the United Nations or the North Atlantic Treaty Organization. . .

"I feel, and I am sure that hon. members on all sides of the House must feel, that if it did spread, if that did happen and there was a massive aggressive air attack on this continent, a struggle in which the very existence of the people of the United States and of Canada would be at stake, all our continental, all our NATO defence arrangements and our whole system of collective security which we have built up over recent years would come into play. In that kind of situation, and I limit it to that kind of situation, how could we be neutral?

FOREIGN POLICY

"This debate has done something else which has caused a good many of us -- I know that it has caused me -- some anxiety. In certain sections of the House it has underlined a very deep uneasiness about United States policy. . .

"As long as Canada is a sovereign state, the decisions in foreign policy and any other policies have to be made in this Parliament of Canada. That is a very different thing from saying that our policy can only be made in Ottawa and should not be made or even influenced anywhere else. Foreign policy in this world of interdependence cannot be made in any one country or any one capital no matter how powerful that country or capital may be. . .

"We are working together today in a peace coalition, and the very essence of that coalition is that every member of it acts only after discussion and consultation with others. In that sense each member must influence the other members' policy, and I hope it will remain that way, because that is the way it should be. That gives our best chance for peace, by collective policy and collective action. In this respect I am distinguishing between decision and the formulation of policy.

"Suppose the United States adopted the maxim and made its own policy solely in Washington, or the United Kingdom decided to make its policy solely in London, or the French Government solely in Paris; it would not be long before the North Atlantic Treaty Organization would itself dissolve. If it dissolved we would not be worrying so much about whether we were making our own policy; we would be worrying far more about our protection against potential enemies even than we do now. . .

"Another statement was made to the effect that apparently I feel now that I have to go along very easily and readily with the views of the Secretary of State of the United States. I hope that Mr. Dulles' views will be such that I can go along with them easily and readily, but I can assure you . . . if any assurance is needed, that I will not hesitate to disagree with them when I feel that it is undesirable and unwise to support them". . .

The Minister proceeded to answer point by point criticisms of opposition members in the House and mentioned in particular comments made by Mr. M. J. Coldwell, CCF Leader, who, he said, talked "not only danger from Chiang Kai-shek but danger from the United States."

"I suggest," he said, "that we are in much more danger of being dragged into war by policies that are pursued by the Foreign Minister in Peking and by the Foreign Minister in Moscow than we are by the policies pursued by the Secretary of State of the United States."

FORMOSA

"He said he thought there was a good deal to be said for a suggestion by Mr. Coldwell that Formosa be neutralized and placed under trusteeship.

"That," he added, "may prove to be the wisest solution to this extremely difficult problem. I think however, it is premature to be dogmatic on the point or to make up our minds finally on anything like that at the present time. . .

"So far as Canadian responsibility is concerned over Formosa -- I think this had better be repeated, and I will try to make it clear -- we have no other commitment in regard to Formosa than that which arises from our membership in the United Nations. That was the position a year ago and that is the position today. We feel that the status of Formosa has not yet been finally determined but we also feel that the Communist Government in Peking should not use force to bring about that determination."

He said in closing:

"In closing, I would return almost to where I began. The subject which has loomed so large throughout this debate has been our relations with the United States and our preoccupation with those relations. This preoccupation, indeed this anxiety, is understandable over our relations economic, our relations political and our relations strategic. I suggest that that relationship, vitally important as it must be to us and as it has been in the past, will be even more so in the future.

"A relationship to be successful on both sides must be based on mutual respect, a freedom to hold and to express our own views. I assure my honourable friends who have been criticizing the Government because we have not, as they have said, had enough courage to express those views, that they do not feel any

more strongly about that than we do. However, we in the Government happen at this time to have some responsibility for the conduct of international relations.

"It is not always advisable in the conduct of diplomacy and international affairs, even with our best friends, to shout from the house-top and throw our weight about, in order to impress our own people with the fact that we are very independent.

"This relationship must also be based on recognition of the fact that if our coalition, which is now headed by the United States, breaks up, then indeed there will be a grave danger to peace and security. I suggest, therefore, that while we must be independent and speak up when it is necessary to do so, we must be sure we do nothing avoidable by our words and by our deeds to further that wrong end of disunity and division.

"When we do disagree with the United States we must be sure that that disagreement is not only based on a narrow conception of our national interest, but is a disagreement which goes to the very basis of the coalition policy and which we maintain on the highest principles of peace and international security.

STRAINS AND STRESSES

"It is quite true that there are strains and stresses on the coalition at the present time. There has never been a coalition, even in wartime, which was easy to manage. In peacetime they are not very often necessary. But in a period such as we have at present, between peace and war, a coalition is not only desperately required, but it is very difficult indeed to manage. So there are stresses and strains now pressing against it, but we will be able to weather them.

"It is quite true that the greatest of these at the present time is in the Far East. I have not come across a better short expression of the nature and importance of these Far Eastern strains than I found in a paragraph in the April 9 edition of the Economist. It reads as follows:

"The danger of the next few months is that confronted by the threat of renewed fighting off the China coast, many otherwise sensible people in Britain will say that they would rather have peace than the American alliance. Nothing, in fact, could be sillier, for there is no such choice. It is still possible to have both peace and the alliance. It is certainly not possible to have peace for long without it."

"We wish to have in this Parliament and in this country both peace and the alliance -- not merely the American alliance but an alliance for friendly cooperation with all peace-loving free countries of the world."

FEDERAL-PROVINCIAL CONFERENCE: At the conclusion of the preliminary meeting of the Federal-Provincial Conference held at Ottawa on April 26 and 27, it was announced that federal and provincial representatives had agreed that the main conference would open in Ottawa on Monday, October 3.

It was also agreed that the following items would constitute the agenda for the October meeting:

1. Federal-provincial fiscal relations.
2. Public investment and natural resources development.
3. The desirability of establishing a federal-provincial continuing committee.
4. Health and welfare services.
5. The timing and scope of such other special conferences as may be desired.

The meeting discussed the question of federal participation in meeting costs of relief to unemployed persons not in receipt of unemployment insurance benefits.

It was agreed that this matter should not wait for the October meeting, but should be referred immediately to a committee of federal-provincial officials who would collate the essential facts, examine certain technical problems and report back to a meeting of federal-provincial Ministers as early as possible.

The conference appointed a committee of representatives from each province to meet under the chairmanship of the federal Deputy Minister of Finance (K.W. Taylor), to conduct the preparation of statistical and technical material for the October meeting.

* * * *

EXPANDED TELECOMMUNICATION: Expanded international telecommunication services for Canada, set for development with the coming of the new trans-Atlantic telephone cable, are disclosed in the fifth annual report of the Canadian Overseas Telecommunication Corporation which was tabled in the House of Commons April 26, by the Minister of Transport, Mr. Marler.

In addition to new facilities to be developed in the projected trans-Atlantic cable, many improvements to overseas wireless communication with other Commonwealth countries operating under the Commonwealth Telecommunications Board will be provided by the construction of new transmitting and receiving stations in Canada.

* * * *

From the Northwest Territories some 15 Boy Scouts - many of them Eskimos or Indians - will attend the 8th World Jamboree at Niagara-on-the-Lake next August, it was announced recently by C.S. Matkin of Magrath, Alberta, upon his return from a 4,000-mile flying trip to visit 14 Scouting centres in the N.W.T. Mr. Matkin is Assistant Provincial Scout Commissioner for Alberta.

NAVAL WARNING AIRCRAFT: Employing one of the most versatile types of carrier-borne aircraft, a new operational flight has been added to the strength of the Royal Canadian Navy's air component.

Four Avenger aircraft, modified to permit the installation of radar detection-gear more powerful than that of most present day shore stations, make up the unit. It will be known as the A.E.W. (airborne early warning). Flight of 881 Squadron, and normally will operate as part of that squadron from HMCS Shearwater, the RCN air station at Dartmouth, N.S., or at sea from HMCS Magnificent.

Acting in a capacity similar to that of shore warning installations, but with the added advantage of height and mobility, the A.E.W. aircraft, popularly known as the "Guppy" will extend considerably the radar cover of a fleet or convoy at sea.

While its main object is to provide initial detection and tracking data, the enormous power of the radar-set carried by the aircraft makes possible a number of other functions of both tactical and strategic importance.

Having discovered the presence of a hostile force near the fleet or convoy it is protecting, the A.E.W. aircraft can revert to the role of strike direction, providing information necessary to bring fighter aircraft into position for attack.

In anti-submarine operations, the aircraft's powerful radar and the advantage of increased height and mobility make it far superior to ship-borne radar in the location of enemy submarines.

In general scouting and tracking, the A.E.W. aircraft, flying at a relatively high altitude, can blanket an area as large as the North Sea with one sweep of its radar antenna.

Secondary uses to which the A.E.W. flight may be put include ship direction, helicopter direction; anti-submarine operations, long-range coastal identification by means of radar, and weather reconnaissance.

A.E.W. aircraft have been in use in the Royal Canadian Navy for some time in training pilots, radar controllers and maintenance personnel, but the aircraft of the new flight are the first in the RCN to be placed on a fully operational basis.

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NEW ATTACHE TO POLAND: A recent graduate of the NATO Defence College in Paris, France, Lieutenant-Colonel T.F. Slater, CD, 36, Royal Canadian Ordnance Corps, of Hamilton, Ontario, will be promoted to the acting rank of Colonel and appointed Military Attaché to Poland, it was announced at Army Headquarters recently. He will leave Canada to take over his new duties late in April.

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The Canada-Alaska boundary stretches for 1,539 miles.

JOBLESS IN LABOUR: The ranks of Canada's unemployed jobhunters were swelled by 22,000 during the last week of February and the first three weeks of March, reaching an estimated 401,000 at March 19, some 80,000 or nearly one-fourth more than on March 20 last year, according to the monthly labour force survey by the Dominion Bureau of Statistics.

The report also provides National Employment Service figures of applications for employment, which numbered 632,900 on March 17, an increase of 19,500 over a month earlier and 63,000 over a year earlier.

The March DBS labour force survey shows 4,999,000 men and women as employed during the survey week, 13,000 less than in February but 29,000 more than last year. However, the number with full-time jobs (35 hours a week or more) was down in both comparisons, the 4,603,-000 total being 6,000 less than a month earlier and 14,000 less than in March last year.

The increase over March last year in the number of applications for employment at the National Employment Service offices was common to all regions. Ontario led with an increase of 21,900, followed by the Prairie Region with 18,700 more, Quebec with an additional 18,500, the Atlantic Region with 3,500 more, and the Pacific Region with an increase of 400.

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TIME LOST IN MARCH: Time loss, arising from industrial disputes in Canada during March 1955, was the lowest recorded for any month since April 1951, according to a preliminary summary of strikes and lockouts released on April 20 by the Honourable Milton F. Gregg, Minister of Labour.

Preliminary figures for March showed 11 work stoppages during the month, involving 1,956 workers, with a time loss of 13,971 man-working days, as compared with 11 stoppages during February, with 2,587 workers involved and a time loss of 20,055 days. In March 1954, there were 18 strikes and lockouts involving 1,799 workers and a time loss of 14,625 days.

* * * *

GRADUATES' SALARIES UP: During the nine-year period from 1946 to 1954 there has been a marked upward trend in starting salaries of university graduates in Canada, it was reported by the Minister of Labour, Mr. Gregg.

It was estimated that the rise was greatest for electrical engineers with 81.8 per cent, and smallest for agricultural graduates with 54.8 per cent. For eight of the professions listed the increase was estimated at more than 70 per cent.

* * * *

Canada imported some \$26,263,322 worth of unbound magazines and newspapers and \$685,533 worth of newspaper or comic sections from nine foreign countries last year.

NAVAL CHIEF OVERSEAS: Vice-Admiral E.R. Mainguy, Chief of the Naval Staff, left Ottawa by air April 16 for the United Kingdom for discussions with senior officers of the Royal Navy and directors of Harland and Wolff, builders of the Canadian Navy's new aircraft carrier "Bonaventure."

A visit to Supreme Headquarters, Allied Powers in Europe, in Paris, currently is included in Admiral Mainguy's itinerary.

While in England, Admiral Mainguy will call on the First Sea Lord, the Commander-in-Chief Eastern Atlantic and the Commander-in-Chief Portsmouth. He will meet with officials of Harland and Wolff at the company's shipyard in Belfast, where the Bonaventure is building.

Admiral Mainguy plans also to call on the Flag Officer Submarines and visit HMS Dolphin, where Canadian Navy Personnel are being trained for service in submarines.

The Chief of the Naval Staff will return to Ottawa early in May.

* * * *

DELEGATION TO PARIS: Canada is to be represented by top men in the field of aviation medicine at a conference of medical experts under auspices of the International Civil Aviation Organization in Paris later this month.

Heading the group will be Dr. W.A. Prowse, chief of the Civil Aviation Medicine Division of the Department of National Health and Welfare, who will be accompanied by M. Baribeau, Inspector in the Air Regulations Division of the federal Department of Transport and by Air Commodore A.A. Corbet of the RCAF, Director General of Medical Services for Air and Wing Commander H. Hay, R.C.A.F., as medical advisers.

The Paris meeting will deal with such matters as vision, hearing and other medical requirements for aviation personnel.

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ECONOMIC STATISTICS CONFERENCE: Attended by delegates from eight provinces and by representatives of the Bank of Canada and the federal Departments of Labour, National Defence, Public Works and Trade and Commerce, as well as the Dominion Bureau of Statistics, the second Dominion-Provincial conference on economic statistics opened last week.

The conference is dealing with questions relating to co-ordination between federal and provincial agencies in the collection of economic statistics, the avoidance or elimination of duplication in requests for information from business and industry, and the integration of policies in statistical collection and compilation to achieve uniformity and comparability in economic statistics.

ASTRONOMER HONOURED: At the 92nd Annual Meeting of the National Academy of Sciences, held in Washington, D.C., on the 25th of April, Dr. Peter M. Millman, National Research Council of Canada, was awarded the J. Lawrence Smith medal in recognition of his distinguished work on the problems of the spectra of meteors. Since its establishment in 1884, the medal has been awarded only four times. This is the first time that it has gone to a scientist outside the United States.

Dr. Millman's research work for the past twenty-five years has been chiefly in the field of meteoric astronomy. He has specialized in the analysis of the light of meteors, and, of a world total of 150 meteor spectra photographed to date, over 80 have been secured on his observational programmes. Dr. Millman has also worked in the field of stellar radial velocities and has organized and directed two successful eclipse expeditions, where observations were carried out from aircraft.

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NRC SCHOLARSHIPS: The National Research Council of Canada has granted 267 scholarships for 1955-56, with a total value of \$336,300. These scholarships include 62 bursaries worth \$800 each, 133 studentships worth \$1,100 each, and 18 fellowships worth \$1,400 each. All of these are to be held in Canada.

Special scholarships awarded for study abroad include 33 awards worth \$1,900 each. These special scholarships are to be held in the following countries: 11 in the United States of America, 19 in the United Kingdom, one in France, one in Sweden, and one in Denmark.

Twenty-one overseas postdoctorate fellowships at \$2,500 each have been granted for work in the following countries: fifteen in the United Kingdom, one in Sweden, one in Denmark, one in France, two in the Netherlands, and one in Belgium.

* * * *

TOKYO ARMY CLUB CLOSES: After three years of operation and after entertaining over 80,000 United Nations soldier guests, the Canadian Army's Maple Leaf Club in down-town Tokyo has officially closed its doors. At a closing buffet luncheon, Canadian Ambassador, Mr. T.C. Davis, spoke highly of the club's effect on the morale of United Nations soldiers on leave in the Japanese capital.

The Maple Leaf Club played host to soldiers of all nations, including 4,000 Americans. At its peak of operation, 23 Japanese were employed, supervised by army personnel. Canadian Red Cross workers provided a feminine touch.

In addition to Ambassador Davis and his staff, guests included Brigadier Cameron B. Ware, head of the Canadian Military Mission, Far East, and senior Commonwealth and American officers of the Tokyo area.

SPECTACULAR SUCCESSES OF FISHERIES COOPERATION

CANADA AND U.S.: Declaring Canada and the United States to have afforded, "the best evidence in all the world of a great and powerful nation and a small nation living side by side in peace and friendship, neither ruler nor satellite," the Minister of Fisheries, Mr. James Sinclair, outlined before the National Institute of Fisheries at New Orleans, Louisiana, on April 25, some of the successes of cooperation in the fishing industries of both coasts.

"In no field," he said "has this cooperation been so marked as in fisheries -- cooperation so successful and so much to the advantage of both participants as to be a model to other nations of the intelligent handling of international affairs.

"This cooperation between Canada and the United States in fisheries matters has not been accidental or easy to develop. It has been the result of years of patient effort by far-sighted men in both nations."

CONSERVATION

"Our first success in cooperation was in the field of conservation. Both of us have tried to do a good job of conserving the fisheries within our coastal waters so that our fishermen may have a perpetual harvest. Fish, however, are no respecters of territorial boundaries and so there was not much point in one nation carefully conserving its fisheries if other nations could come right to its boundaries and ruthlessly exploit these stocks of fish.

"Some nations have tried to solve this problem by arbitrarily pushing their territorial boundaries 12, 20, 50 and even 200 miles out to sea to try and preserve the fisheries in this belt for the sole use of their own nationals.

"Long ago Canada and the United States found a different and much better solution to this problem -- by international conservation on the high seas. The great stocks of halibut on the high seas of the North Pacific were being depleted by over-fishing. In 1923, we agreed on an international treaty to conserve this great fishery -- the first treaty of its kind in the world, and today undoubtedly the most successful. Last year our two nations had an all time record catch -- 71 million pounds of the finest halibut caught in less than two months' fishing.

"The dwindling catch of salmon on the West Coast also was causing alarm to both our nations. Despite the success of the halibut treaty in the same area, there was opposition for some years to similar control of the Pacific salmon. Finally in 1937, we formed an international commission to conserve the sockeye salmon of the Fraser River, and once again the record speaks for itself. This year our two countries shared the greatest catch since 1913 -- this at a time when other salmon fisheries in the world are showing a marked decline.

"Again out on the Pacific coast our two nations have been almost too successful in restoring another marine asset -- the fur seal. From a low of about 150,000 animals we now have built up a herd in excess of 2 million seals and our fishermen now protest that the seals get more fish than they do. We are having a meeting this fall to study this unusual problem.

NORTH PACIFIC

"The success of these three North Pacific agreements has lead to many other similar agreements between other countries in other seas, none of which to date has been quite as successful as these. Both of us belong with eight other nations to the International Commission of the Northwest Atlantic to conserve the fisheries of the Grand Banks, which despite almost five hundred years' fishing by many nations is still the greatest fishery in the world. United States, Canada and Japan recently formed an International Commission for the North Pacific Fisheries, which introduced a new principle in international fisheries conservation -- the principle of abstention, by which each side agrees to abstain from fishing in the other half of the ocean for fish which are under scientific conservation, being fully protected and are being fully exploited.

"This year your Congress and our Parliament are being asked to ratify still another international fisheries treaty -- to restore and conserve the fisheries of the Great Lakes which have been dwindling because of the predations of the sea lamprey and over-fishing for some species."

"This record of successful conservation through international cooperation between our nations has proven to be a better way than the arbitrary extension of territorial waters practiced by other nations."

* * * *

RAILWAY REVENUES DOWN: Canada's 17 largest railways carried more passengers and more freight than a year earlier in December, but a sharper rise in operating expenses than in

operating revenues cut net operating revenues by more than 26% to \$8,056,232 from \$10,904,-548. The month's operating income was 44% lower at \$4,343,639 versus \$7,758,483.



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WEEK'S EVENTS IN REVIEW

POWER FOR INDUSTRY: On April 18, the Hon. Jean Lesage, Minister of Northern Affairs and National Resources, addressed the Chamber of Commerce of Quebec Province on Canada's hydraulic resources and industrial development. He said, in part:

"The industrialization of Canada and of the Province of Quebec in particular is, at the moment, a most topical subject. This is readily understood, when one considers that Canada is in the throes of an industrial revolution. It is quite natural that people should be concerned with the future during major re-adjustments which usually accompany such a change. . . .

"It was neither through chance, nor as the result of a mere coincidence that, in the nineteenth century, England was the first country in the world to achieve the sweeping transformation of its economy which is known as the 'industrial revolution'. Historians have long since demonstrated that a great many factors are responsible for such a phenomenon. The fact that Great Britain was the victor in the Napoleonic Wars should doubtless not be underestimated; for Nelson's victory at Trafalgar had certainly given the British navy an undisputed superiority. But it is universally recognized today that the advent of the steam-engine along with the enormous reserves of coal available in the British Isles were responsible for the growth of the industrial and commercial power of England and even of the British Empire itself. . . .

"Man's ingenuity devised a new technique: the steam-engine; natural resources provided the raw material needed for the maximum use of this new invention; and a small country, comparatively poor in other respects, rose to be one of the foremost powers in the world. The thermic energy of coal, converted into power by a boiler, produced a great quantity of energy that increased, to an extent unknown till then, the industrial potential of the country.

"The energy responsible for Great Britain's might in the last century is today the basis for the economic might of every country in general and of Canada, in particular. . . .

"Canada is well provided with the sources of power required to develop her great natural resources and to increase her industrial production to a boundless extent.

"The Maritime Provinces lack neither coal nor water-power. While the Province of Quebec has no coal, it nevertheless leads all others in the production of hydro-electric energy. Ontario, which is also deprived of coal, comes in second place in this respect. The Prairie Provinces compared with Quebec or Ontario, have few rivers that may be harnessed, but on the other hand they possess very substantial reserves of coal and fields of natural gas and oil which make up for the lack of water power. In proportion to population, British Columbia ranks first among the provinces for hydro-electric development. The Northwest and Yukon

Territories possess ample known reserves of oil and coal, and, in addition, they are provided with great hydraulic resources. I am convinced that the presence of those hydraulic resources in the Canadian North will speed up the development of its rich mineral deposits, in spite of the severe climate and the great distances which separate them from the markets.

"In less than fifty years, Canada has seen her essentially agricultural economy, which produced mostly raw materials for export, transformed into a largely industrial economy enabling Canadians to enjoy a standard of living comparable to that of Americans.

"During the same fifty-year period, the rate of increase of our water-power development has not only been maintained but, in the last few years, it seems to have shown a marked tendency toward a progressive increase.

INCREASED POWER PRODUCTION

"The average annual increase of 65,000 h.p., from 1900 to 1905 was greatly intensified thereafter, thanks especially to the improvement of transmission lines and the building of large power stations. From 1906 to 1922 inclusively, water-power was harnessed at a pretty even rate of 150,000 h.p. a year. Because of the increased demand for electricity during the lush twenties, the expansion was greatly accelerated from 1923 on and reached nearly 377,000 h.p. per year throughout the period 1923-35.

"As the completion of large-scale projects is time-consuming, new building lags behind demand, which quickly reacts to the general economic situation. On the other hand, when the demand for power fell off during the thirties, the projects already undertaken were completed, but the effects of the depression may be observed in the marked slowing down of new developments from 1936 to 1939.

"The need of electricity for defence purposes accounts for the higher rate of increase which reached 481,000 h.p. a year from 1940 to 1943. Few projects were undertaken during the last years of the war or immediately thereafter, so that only a small quantity of new water-power was made available from 1944 to 1947 inclusively. However, the results of the building programme for the latter years of the post-war period are reflected in the increase which occurred from 1948 to 1954, for which period the yearly average was about 885,000 h.p.

"New hydro-electric power developments which came into operation during 1954 reached a record total of 1,758,450 h.p. and the extensive building programme presently under way will no doubt give even more impressive results.

"In all likelihood the number of hydro-electric developments will continue to increase

in Canada during the next few years. The known water power potential of Canada would allow for turbine installations producing something like 66,000,000 h.p. As our present installed capacity is now 16,684,131 h.p., we have so far developed only 25 per cent of our known potential.

"The American Indians expressed the word 'always' by the poetical phrase: 'As long as rivers flow'. We took a long time to understand the realism of that phrase.

"We can easily realize that hydro-electric power is the most permanent of our natural resources. Even our huge reserves of natural gas, oil and coal may eventually become depleted; since they are not renewable - although I may say that such depletion is by no means likely to occur in the near future - but 'as long as rivers flow' we shall have hydro-electric energy.

"The value of water power may increase our country's production capacity at a truly astronomical rate. Thus, assuming that an able-bodied man can produce in eight hours the equivalent of a one horsepower machine, the existing hydro-electric plants in Canada today are doing the work of more than 100 million workers.

ELECTRICITY VERSUS COAL

"The importance of these facilities may be more easily grasped by figuring the amount of coal that would be needed if steam were used to produce the same energy.

"It is estimated that at least the production of a kilowatt-hour of electricity requires in general the combustion of a little over one pound of coal, which equals about three tons and a quarter on a yearly basis. It means therefore that during 1954, 35,300,000 tons of coal would have been required to produce the same quantity of electricity as was produced from our water-power. . . .

"It is undeniable that marked technical progress has been achieved in the last few years in the field of atomic fission. The future of this new form of energy depends ultimately on its cost of production compared to that of other forms of energy. The operating costs of an atomic plant are comparatively low. Overhead charges on the initial investment are heavy, however. It is estimated that this initial cost must be reduced to one-third or even one-fourth of the present figures, before atomic power will be able to compete seriously with thermic energy.

"Radio-active ore is plentiful in the country and can easily be transported to the places where it is needed. That is to say the physical establishment of atomic plants is possible everywhere. The only obstacle is the extremely high installation costs.

"It is agreed today that the role of nuclear power will be to set a ceiling on the cost of energy in general; this ceiling will be lowered with scientific and chemical development. This will possibly prevent the carrying out of very costly projects intended to produce the traditional forms of energy, but as far as we can forecast, it will not curtail appreciably the importance of those sources.

"Atomic energy will probably be used first in areas deprived of other sources of energy. In Canada, small plants may possibly be built in some remote sections lacking cheaper sources of energy. I am thinking now of the use which can be made of atomic power in remote and inhospitable sections of the great Canadian north, particularly for our advanced defence posts and others.

"With the development of the international section of the St. Lawrence, Southern Ontario is scraping the bottom of the barrel of its hydraulic resources. The neighbour province will probably be the first to build large atomic plants of a capacity of more than 100,000 kilowatts. However, such projects are not likely to be achieved before several years, and even then they will depend on production costs and the possibility of importing hydro-electric power.

"In view of the present level of technical knowledge, it is possible that within fifteen years or so atomic energy may compete with coal-generated thermal energy. It is, however, impossible to foresee when atomic energy will be in a position to compete with hydraulic power, but there is every reason for supposing that it will not be before several decades. Most likely the propensity of the hydraulic resources of Quebec to attract industries will remain unchallenged up to the end of the present century. Moreover, the threat would be lessened with the rapid development of available hydraulic resources, so that the cost of harnessing these hydraulic resources could be partly written off before any serious competition from atomic energy is felt.

"Therefore, even if it is difficult to predict when atomic energy will displace hydro-electric power in the foreseeable future, it is in the interest of our country to develop as fast as possible its hydraulic resources. . . ."

* * * *

Last year Canada imported 3,035,191 tons of iron ore worth \$20,415,600 from the United States, Brazil and Liberia, and exported 6,126,938 tons worth \$39,718,740 to the United States, the United Kingdom, West Germany and Japan, sales exceeding purchases by 3,091,747 tons valued at some \$19,303,140.

ARMY SUPPLY SYSTEM: To carry out defence, NATO, training and administrative duties the Canadian Army is in constant need of supplies and equipment.

During emergencies such as the Toronto or Winnipeg floods or for winter exercises carried out by the Canadian Army in the far north, the steady stream of supplies sometimes increases to a "flood" of rush orders.

Royal Canadian Ordnance Corps installations across Canada are prepared to supply military items as gradual replacements, within 48 hours or sooner in emergencies.

One of these installations is 25 Central Ordnance Depot at Longue Pointe, Que. This depot handles technical stores - more than 130,000 separate items - including anything from telephones to tanks, watches to wireless sets. Clothing and general stores are located in Cobourg, Ont., and wheeled vehicles and spare parts at London, Ont.

More than five miles of fencing encloses the 258 acres of Montreal's industrial East End occupied by 25 Central Ordnance Depot.

Here, some 2,000 skilled soldiers and civilians combine efforts in producing an operation comparable in size and efficiency to anything on "civvy" street.

More than 13 miles of railroad track and five miles of paved highway provide for the movement of stores and equipment within Canada's largest depot, whose duty it is to procure, store, maintain and issue all technical stores and their spare parts.

Huge warehouses, some as big as Montreal's Hockey Forum or Toronto's Maple Leaf Gardens, house the processing facilities.

* * * *

CANADIANS TO WHO ASSEMBLY: Constitution of the Canadian delegation to the Eighth Assembly of the World Health Organization which begins its conference in Mexico City on May 10, was announced on April 18 by the Honourable Paul Martin, federal Health Minister.

Mr. Martin named as head of the delegation Dr. P.E. Moore, Director of Indian Health Services of the Department of National Health and Welfare. Dr. Moore is Canada's designated Member of the Executive Board of the World Health Organization.

The Minister said that Parliamentary Advisers on the delegation will be Gustave Roy, M.D., Member of Parliament for Labelle, and Dr. W.G. Blair, Member for Lanark. They will have as technical adviser C.J. Curtis, M.D., D.P.H., Chief Health Officer for Prince Edward Island, and will be assisted by M.A.C. Anderson, Counsellor at the Canadian Embassy, Mexico City, on behalf of the Department of External Affairs.

* * * *

All of Canada's scenic national parks are wildlife sanctuaries.

COLONEL'S WIFE ELECTED MAYOR: Canadian servicemen and their families stationed in Germany have elected a woman, Mrs. Greta Corbould, mayor of the Canadian community at Soest.

A native of New Westminster, B.C., Mayor Corbould is the wife of Lieutenant-Colonel Gordon C. Corbould, commanding officer of the 2nd Battalion, The Royal Canadian Regiment.

During her term of office, Mrs. Corbould will preside over a community council consisting of one controller, three aldermen and two council members.

Five of the seven council members elected are members of Lieutenant-Colonel Corbould's battalion. . . .

The council is the first Army-sponsored civic body to be formed outside of Canada. All service personnel and their dependents over the age of 17 were permitted to vote.

Members of the council will hold office for a maximum period of six months. The next elections probably will be held this Fall when the 2nd Canadian Infantry Brigade replaces the 1st Brigade in Germany.

* * * *

ARTILLERY CHIEF TO VISIT: The British Army's Director, Royal Artillery, Major-General R.W. Goodbody, CB, DSO, will visit Canadian artillery installations early in May, it was announced at Army Headquarters recently.

He will be accompanied by Colonel G.M. Palmer, MC, a General Staff Officer with the British War Office.

Before coming to Canada, Major-General Goodbody will attend conferences and visit artillery units in the United States. He will arrive in Winnipeg, Manitoba, from Minneapolis near the end of April, and from there visit Camp Shilo, Manitoba, before flying east to tour artillery units at Picton, Ontario.

* * * *

JANUARY LUMBER PRODUCTION: Canadian production of sawn lumber was substantially higher in January than in the corresponding month last year. The month's output in British Columbia climbed to 388,400,000 board feet from 227,981,000; in the rest of Canada to 214,477,000 board feet from 184,348,000.

East of the Rockies, production was higher in all provinces except Saskatchewan and Prince Edward Island. Provincial totals, with January 1954 figures bracketed, were: Prince Edward Island, 316,000 board feet (316,000); Nova Scotia, 21,662,000 (12,884,000); New Brunswick, 22,893,000 (17,325,000); Quebec, 41,812,000 (40,900,000); Ontario, 26,752,000 (20,941,000); Manitoba, 2,612,000 (935,000); Saskatchewan, 14,549,000 (15,692,000); and Alberta, 83,881,000 (75,355,000).

CANADIAN AMMUNITION FOR ITALY: Considerable quantities of Canadian ammunition will be shipped to Italy in April under Canada's programme of mutual aid to the North Atlantic Treaty Organization.

The ammunition is for use by the Italian Army.

With the ammunition, Canada also is shipping a quantity of spare parts for artillery equipment given to Italy earlier under terms of the Mutual Aid Programme.

* * * *

RUBBER PRODUCTION: Combined consumption of rubber -- natural, synthetic and reclaim -- increased in February from a month earlier. Month-end stocks also moved up, but domestic production of synthetic and reclaim declined.

Consumption in February amounted to 8,286 tons versus 7,188 a month earlier, and comprised 3,804 tons of natural (3,511 in January), 3,132 tons of synthetic (2,615), and 1,350 tons of reclaim (1,062).

Month-end stocks totalled 10,335 tons versus 10,294 in January. Making up the total were: 3,898 tons of natural (3,444); 4,887 tons of synthetic (5,267); and 1,550 tons of synthetic (1,583). Domestic production of synthetic amounted to 7,646 tons (8,124) and reclaim, 419 tons (309).

* * * *

GOLD PRODUCTION: Production of gold in January amounted to 366,052 fine ounces, down 5% from December's 385,132 fine ounces but up 25% from last year's strike-reduced total of 293,064 fine ounces. The month's output in Ontario amounted to 202,848 fine ounces (160,916 a year ago); in Quebec, 98,947 (63,456); Northwest Territories, 25,922 (26,625); British Columbia, 19,223 (20,504); Prairie Provinces, 18,192 (20,734); Newfoundland and Nova Scotia, 860 (797); and Yukon, 60 (32).

* * * *

Margarine production in the first quarter of this year amounted to 32,473,000 pounds, up 13% from last year's corresponding total of 28,761,000 pounds. March output rose to 11,259,000 pounds from 10,233,000 a year earlier, and followed increases in February to 9,900,000 pounds from 8,191,000 in the same month last year, and in January to 11,314,000 pounds from 10,337,000. April 1 stocks held by manufacturers, wholesalers and other warehouses rose to 4,275,000 pounds from 4,151,000 a month earlier and 3,381,000 a year ago.

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In 1954 Canada sold \$553,016 worth of sea grasses and plants to the United States, the United Kingdom and Norway.

BEAVER POPULATION TOO LARGE: Resources Minister Jean Lesage announced recently that the lakes and streams of Prince Albert National Park were over-crowded with beaver and, this Spring, Indians from adjoining areas are being given the opportunity of trapping 10,000 of these much prized fur-bearers to bring the population into balance with the carrying capacity of the park.

Arrangements have been completed by the National Parks Service of the Federal Resources Department and the Indian Affairs Branch of the Department of Citizenship and Immigration, for a trapping campaign by some 100 Indians.

The big fur harvest, which has resulted from conservation work carried on in the park over many years, will be a windfall for local Indians. Other measures have been taken from time to time to control the rapidly growing population. The principal efforts have been live-trapping and transportation to depleted trapping grounds. Last summer 120 were moved to north of Fort Rae in the Northwest Territories. The effect has been hardly noticeable and this year an aerial survey of active beaver lodges by biologists of the Federal Resources Department indicated a population of approximately 15,000 beaver. This is considered greatly above the carrying capacity of favourable areas in the park. Co-operative studies of the health of the beaver by Saskatchewan biologists and Federal Department of Agriculture veterinarians showed no signs of the mysterious disease which depleted trap-lines in northern Manitoba and Saskatchewan but it was considered that the population should be drastically reduced to maintain a healthy condition and the reduction by ten thousand was decided on as a sound wildlife management practice.

* * * *

CANADIAN CONTRIBUTES TO SALK: A National Health and Welfare Department biochemist, Dr. Joseph Francis Morgan, of Ottawa and Vancouver, made an important contribution to development of the now world-famous Salk anti-polio vaccine, it was stated recently by the Honourable Paul Martin, Minister of National Health and Welfare, who paid tribute to Dr. Morgan's work and that of the Connaught Research Laboratories.

Dr. Morgan, working at the Connaught Laboratories, University of Toronto, helped devise a new synthetic medium that would support cell growth and survival, enabling Dr. Salk and his associates to carry their studies to a successful conclusion.

* * * *

The world's largest lake trout, a 63-pounder, was caught in Lake Athapapuskow near Flin Flon, Manitoba.

CHANGES IN NRC MEMBERSHIP: Dr. R. S. Jane and Dr. H.G. Thode were recently appointed by the Governor General in Council as new members of the National Research Council for three years from 1 April, 1955. Dr. Jane is Executive Vice-President of Shawinigan Chemicals, Limited, Montreal, Que., and Dr. Thode is Principal of Hamilton College and Director of Research at McMaster University, Hamilton, Ontario.

Retiring members are: Brigadier F.C. Wallace, Executive Vice-President, Duplate Canada Limited, Fiberglas Canada Ltd.; and Smith and Stone Ltd., Toronto, Ont.; and Dr. J.H.L. Johnstone, Head of the Department of Physics and Dean of the Faculty of Graduate Studies, Dalhousie University, Halifax, N.S. Both have given their services to the Council continuously for six years.

Three other members have been reappointed for a further term of three years. They are: Dr. C.J. Mackenzie, President, Atomic Energy Control Board, Ottawa, Ont.; Dr. T. Thorvaldson, Dean of Graduate Studies Emeritus, University of Saskatchewan, Saskatoon, Sask.; and Dr. W.H. Watson, Professor and Head of the Department of Physics, University of Toronto, Toronto, Ont.

* * * *

NEW RESIDENTIAL UNITS: Construction was started on almost one-third more residential units in February than in the corresponding month last year, DBS figures show. At the same time completions were up by about one-quarter, leaving 17% more in various stages of construction at the end of the month.

Starts were made on 4,006 units in February versus 3,057 a year earlier. Since January starts were up to 3,963 units from 2,983 a year earlier, the combined total for January and February rose to 7,909 units from 6,040 in the like 1954 period.

February completions rose to 7,544 units from 6,116 a year ago and were up in January to 9,037 units from 8,315. This brought January-February completions to 16,581 units versus 14,431 a year earlier. The number of units in various stages of construction at the end of February climbed to 59,814 units from 51,127.

Starts were lower in number in February than a year earlier in Newfoundland and the Prairie Provinces but higher in the rest of Canada. The totals for the month were as follows: Ontario, 2,039 (1,561 a year ago); Quebec, 748 (666); British Columbia, 650 (268); Prairie Provinces, 454 (520); Maritime provinces, 110 (19); and Newfoundland, 5 (23).

Completions increased in all areas except Newfoundland and the Maritimes. Totals follow: Ontario, 3,356 (2,799 a year earlier); Quebec, 1,962 (1,172); Prairie Provinces, 1,300 (1,195); British Columbia, 596 (525); Maritime Provinces, 311 (323); and Newfoundland, 19 (102).

CANADIANS GET U.S. DECORATIONS: The following announcement was made on April 16 by the Department of National Defence:

Her Majesty, the Queen, has been graciously pleased to grant permission for seven officers of the Royal Canadian Navy to wear the United States Decoration of the Legion of Merit.

The decorations were awarded by the President of the United States to the Canadian officers in recognition of their services while in command of Canadian destroyers during hostilities in the Korean theatre.

The awards are as follows:

Legion of Merit in the Degree of Commander (1)
Commander E.T.G. Madgwick, DSC, CD, 39, of Ottawa and Halifax.

Legion of Merit in the Degree of Officer (4)
Commodore Jeffry V. Brock, DSO, DSC, CD, 41, of Vancouver and Winnipeg.

Captain Robert P. Welland, DSC and Bar, CD, 37, of Victoria.

Captain James Plomer, OBE, DSC and Bar, CD, 43, of Winnipeg.

Captain Paul D. Taylor, DSC, CD, 44, of Victoria.

Legion of Merit in the Degree of Legionnaire (2)

Captain A.B.F. Fraser-Harris, DSC and Bar, CD, 38, of Halifax and Ottawa.

Captain Dudley G. King, DSC, CD, 45, of Victoria and Vancouver.

All the officers were cited for "meritorious service . . . to the Government of the United States" while commanding officers of destroyers "serving in the Korean conflict with the United Nations Blockading and Escort Force, Naval Forces Far East".

Cdr. Madgwick, executive officer of HMCS Cornwallis, new entry training establishment near Digby, N.S., was commanding officer of HMCS Huron during her first tour of duty in the Far East from May to August, 1951. In 1950, he was awarded the Legion of Merit in the Degree of Officer for his part, as commanding officer of the destroyer Haida, in the rescue of 18 crew members of a U.S. Air Force B-29 aircraft that crashed into the sea off Bermuda in November of the previous year.

Commodore Brock, Naval Member of the Canadian Joint Staff, London, commanded HMCS Cayuga in the Korean theatre from August, 1950, to March, 1951.

Captain Welland, commanding officer of HMCS Venture, junior officer training establishment on the West Coast, commanded HMCS Athabaskan off Korea from August, 1950, to May, 1951.

Captain Plomer, commanding officer of HMCS Cornwallis, commanded the Cayuga from July, 1951, to February, 1952.

Captain Taylor, Chief of Staff to the Flag Officer Pacific Coast, commanded HMCS Sioux through two tours of duty in the Far East.

Captain King, now commanding officer of HMCS Shearwater, RCAF Air Station near Dartmouth, N.S., commanded HMCS Athabaskan from September, 1951, to February, 1952.

Captain Fraser-Harris, Director of Naval Aviation at Naval Headquarters in Ottawa, commanded HMCS Nootka in the Far East from January to July, 1951.

Two other Canadian naval officers wear U.S. decorations for Korean service. Cdr. J.H.G. Bovey, DSC, CD, 38, of Montreal and Ottawa, was awarded the Bronze Star for services while commanding HMCS Crusader from April, 1952, to July, 1953, and Lt.-Cdr. Joseph J. MacBrien, 30, of Toronto, received the DFO for operations in a jet fighter squadron flying from a USN carrier.

* * * *

MOTOR VEHICLE PRODUCTION: Production of motor vehicles in March soared to 50,513 units, top month since the Spring of 1953, preliminary figures issued by the DBS show. This was 11% above last year's March output of 45,438, and compares with 32,846 in February (45,122 a year earlier), and 28,924 in January (20,215). This year's first-quarter output fell to 112,281 units from 131,162 in the same 1954 period.

The month's output of passenger cars climbed to 43,825 units from 36,251 a year earlier, and compares with 29,660 in February (35,564) and 25,520 in January (32,278). Commercial vehicle production fell in March to 6,688 units from 9,187 and compares with 3,186 in February (9,558), and 3,404 in January (7,937).

* * * *

IRON ORE SHIPMENTS: Total shipments of iron ore from Canadian mines in February fell below a year earlier for the third successive month, dropping to 83,704 tons as compared with 115,184 in February last year. Two-month total was down more sharply at 193,139 against 352,289 tons in 1954. The decline in the month was in ore shipped for export, shipments to Canadian consumers rising to 24,378 tons compared to 19,191 last year following a sharp drop to 11,903 tons (revised) in January from 116,739 tons.

Total stocks at the end of February increased to 1,739,491 tons from 1,535,802 a month earlier and were up from 1,107,893 tons a year earlier. Stocks of Ontario ore increased in the month to 815,122 tons from 623,801 at the end of January, but were below last year's February-end stock of 840,456 tons.

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Shipments of asbestos from Canadian mines increased 11% in February to 68,520 tons from last year's corresponding total of 61,629, DBS reports. The month's exports rose 9% to 61,664 tons from 56,600 a year earlier.



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WEEK'S EVENTS IN REVIEW

CANADA HAILS SALK POLIO VACCINE. On April 12, the Honourable Paul Martin, Minister of National Health and Welfare, announced that he had just learnt the results of the nation-wide trial of Salk polio vaccine carried out in the United States during the past year by the National Foundation for Infantile Paralysis Incorporated. He said, in part:

... "Canada has a vital interest in the results of this trial for a number of reasons. First and foremost is the fact that polio is one of our major unsolved health problems. Many parents know from bitter personal experience that this threat to life and limb can strike swiftly and without warning to bring tragedy into Canadian homes. Two years ago, we experienced in Canada the worst epidemic in our history, with more than 8,700 cases reported -- of which nearly 5,000 were afflicted with some form of paralysis and over 400 produced fatal results. Although last year's epidemic was comparatively light, we are naturally eager to take full advantage of any advance in medical science that will provide an effective means of preventing this crippling and killing disease.

Secondly, Canada made an important contribution towards the production of the vaccine used in last year's trial. It was at the Connaught Medical Research Laboratories in Toronto that the major portion of the culture fluids for polio virus used in the manufacture of the vaccine was produced. Finally, Canada participated directly in the study with the

vaccine being administered to three groups of children in the provinces of Nova Scotia, Manitoba, and Alberta.

The field trial of the Salk vaccine is the largest and most extensive study of its kind in medical history. In all, more than two million adults and children were involved in one way or another. Approximately 440,000 children received one or more injections of the vaccine; while about half this number received injections of a neutral substance known as a "placebo". In addition, more than 1,100,000 children, who received no injection of any kind, were kept under observation as a control group for purposes of comparison. Public health officers, physicians, nurses, teachers, school principals and parents co-operated in the study to provide an outstanding example of community action in dealing with a major health problem.

The work carried out in assessing the results of the study assumed tremendous proportions. Individual punch cards were prepared for each of the approximately 1,830,000 school children participating in the study. I understand that no less than 144,000,000 separate facts, gathered from the field studies and the blood sampling programme, were entered on these cards to provide the statistical data for the analysis and determination of the vaccine's effectiveness.

Canada's poliomyelitis season begins early in the summer, usually rises to a peak in August, and tends to fall off rapidly in the

late autumn. Immunization must, therefore, be completed prior to July 1st in order to anticipate a potential epidemic. Three injections are given at intervals of one week and four weeks, thus requiring at least five weeks for the administration, in addition to the prior weeks of local planning and organization to secure the consent of parents and to arrange for the use of local health services.

Because of these considerations and the fact that the production and testing of the vaccine is a long and complicated process extending over several months, the Government decided last Fall that, although the effectiveness of the vaccine had not yet been conclusively established, no time should be lost in making plans for the production of vaccine so that substantial quantities might be available in time for this year's polio season.

Accordingly, arrangements were worked out, in cooperation with the ten provincial governments, under which the federal and provincial governments would share on a 50-50 basis the cost of under-writing the production of the vaccine at the Connaught Medical Research Laboratories. As a result, sufficient supplies are already available in Canada to immunize more than 500,000 children in selected early school-age groups under the active direction and supervision of provincial and local departments of health.

For this production programme and for related research carried out at the Connaught Laboratories, the Institute of Microbiology and Hygiene in Montreal, and other institutions, the federal Government has provided grants exceeding \$500,000.

In the light of the results now announced as to the safety and effectiveness of the vaccine, Connaught Laboratories and the Institute of Microbiology are prepared to step up their production programmes. In addition, at least two commercial pharmaceutical houses in Canada are planning to distribute quantities of vaccine through their usual channels, as soon as they have been licensed for its sale. Thus, substantial additional supplies will be available to Canadian physicians and health agencies. . . .

In order to help stimulate the widespread use of the vaccine, I wish now to affirm that, in addition to the assistance provided last year towards the purchase of the necessary supplies for the immunization of 500,000 children, the federal Government is prepared under the terms of the National Health Programme, to share on a 50-50 basis with the provinces, the cost of purchasing additional polio vaccine for distribution during the present year. This, we hope, will provide the most effective means of encouraging an increase in the supply of the vaccine produced and utilized throughout Canada.

The manner of allocating and distributing the vaccine purchased jointly by the federal and provincial governments is, of course, a

matter for decision by health authorities in each individual province. It is desirable, however, that there should be province-wide uniformity in the use of the vaccine. With this in mind, priority will be given to children in selected age groups, with those in the ages immediately above and below serving as observed controls.

Since very detailed information on the results of the vaccine trial is being made public, I need not comment extensively on the results reported by Dr. Francis. In general, the study sought to provide the answers to three main questions. In assessing the outcome of the trials, the final measurement of the vaccine's effectiveness must be based on the weight of evidence bearing on these three questions.

The first question has to do with the safety of the vaccine, that is, whether its use is completely free from the danger of infecting children with poliomyelitis. It can now be said that the safety of the vaccine has been clearly established. Before being issued for last year's trial, the vaccine was thoroughly tested in laboratories, both by animal inoculation and by tissue culture methods. Tests on each lot of vaccine were conducted in three laboratories and every possible precaution was taken to ensure complete safety before any vaccine was released for use. The field trials have clearly confirmed this point. The vaccine in use in Canada is subjected to the same rigid safety controls.

The second factor of fundamental importance is the ability of the vaccine to produce antibodies or protective substances when injected into children. Tests in monkeys had indicated that satisfactory levels of antibodies were obtained when three injections of the vaccine were given at suitable intervals. The report of the evaluation groups at the University of Michigan has dealt with this aspect of the study in some detail and is reassuring.

The third and key question in the vaccine trial and the real determinant as regards its future use is the extent to which the vaccine prevents paralysis resulting from polio. To help ascertain this fact, physical therapists, working under the direction of physicians, tested the muscles and graded the degree of paralysis in every child in the study group diagnosed as having polio during the 1954 season. I need not elaborate on this point since this also forms an essential part of the Francis report.

It may be of interest to note that, prior to the initiation of the programme for the production of the Salk polio vaccine, the Government of Canada had made more than \$1,-500,000 available to the provinces under the National Health Programme for projects of various kinds directed towards the control of polio.

In addition to the substantial sums provided for gamma globulin production and for research

(Continued on p. 6)

BROAD GAINS IN FEBRUARY EXPORTS

TWO MONTHS' JUMP: With major gains in exports to the United Kingdom and the United States, Canada's domestic exports to all countries in February rose 8% in value over the corresponding month last year. This followed a rise of 17% in January, making an aggregate increase of 12.5% in the two months.

Apart from the increase in February to the United Kingdom and the United States there were larger shipments to the rest of the Commonwealth and Europe but smaller shipments to Latin American countries and all other foreign countries as a group.

Among the main commodity groups there were substantial gains in February in the exports of wood and paper products and non-ferrous metals, lesser increases in iron and products, non-metallic minerals and chemical products, and declines in animals and animal products, agricultural and vegetable products and miscellaneous commodities.

Total exports to all countries in February were valued at \$301,400,000, up 7.7% from last year's \$279,800,000. All of the gain was in domestic exports which rose to \$296,700,000 from \$274,700,000. Re-exports were moderately lower at \$4,731,000 versus \$5,097,000. The volume of domestic exports was up 7.2% from a year earlier, while prices averaged 0.7% higher.

In the January-February period total exports were valued at \$611,500,000, versus \$545,200,000 last year. Domestic exports totalled \$502,400,000 versus \$535,400,000 and foreign exports amounted to \$9,135,000 versus \$9,788,000.

Largest dollar increase in domestic exports in February was in shipments to the United

Kingdom which rose to \$54,966,000 from \$44,438,000 a year earlier. This followed a rise in January to \$62,691,000 from \$37,931,000 in January 1954, bringing the two-month total to \$117,657,000 versus \$82,368,000. The rise in value both in February and the two months was due in large part to substantial gains in agricultural and vegetable products, wood and paper, and non-ferrous metals and products.

February exports to the United States climbed to \$177,568,000 from \$168,666,000 a year earlier. Added to January's \$179,490,000 (\$157,067,000 a year earlier), the January-February value rose to \$357,059,000 from \$325,733,000. Substantial gains in wood and paper products, non-ferrous metals, non-metallic minerals, and chemicals offset declines in the other main groups in February; in the two months animals and animal products and these groups were higher.

Exports to the rest of the Commonwealth climbed in value in February to \$16,749,000 from \$11,803,000 in the corresponding month last year, bringing the cumulative total for the January-February period to \$33,224,000 versus \$23,824,000. There were large gains in exports both in February and the two-month period to the Union of South Africa, India, Australia and New Zealand, but a decline to Pakistan.

Exports to Latin American countries as a group in February fell in value to \$12,790,000 from \$13,286,000 in the corresponding month last year but, with a gain in January, January-February shipments were up to \$25,322,000 from \$23,441,000.

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GRANTS TO DISABLED: With the signing of three further federal-provincial agreements, eight provinces have now joined Ottawa in plans to apply the Disabled Persons Act.

Agreements have been completed with Quebec, British Columbia and Newfoundland, effective in Quebec Province from the beginning of the year and in B.C. and Newfoundland, from April 1, 1955.

The Disabled Persons Act provides for allowances to totally and permanently disabled persons who fulfil certain income and residence requirements.

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The consumer price index for Canada decreased from 116.3 to 116.0 between February 1 and March 1. The change was largely attributable to a decline in the food index which moved from 111.5 to 110.7 to stand at the same level as a year ago.

NEW GANDER TERMINAL: Construction of the new terminal building at Gander, Nfld., is being planned to commence this summer, according to an announcement by the Department of Transport.

The Department says it has been aware for some time that the terminal facilities at Gander Airport have been greatly overtaxed by the rapid increase in trans-Atlantic airline traffic. The presently existing facilities were dictated by prevailing economics and predicted traffic at the time these facilities were provided.

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The federal Minister of Public Works has announced that 12 fellowships and three bursaries to assist those studying community planning and housing would be awarded by Central Mortgage and Housing Corporation for the academic year of 1955-56.

COASTING TRADE ROYAL COMMISSION: Does construction of the St. Lawrence Seaway bode ill for Canadian ship operators and for Canadian shipbuilders on the Great Lakes? Would a tightening of present law and regulations on the coastal trade offer effective and appropriate aid to these industries? What would be the effect on other industries and on the primary producers of such commodities as grain and coal and pulpwood and iron ore and gypsum? What would be the effect on our international trade and our external relations in general? These are some of the questions likely to be aired before the Royal Commission on the Coasting Trade of Canada, which is inviting written submissions to be made by the end of this month. . . .

The Chairman . . . is the Honourable Mr. Justice W.F. Spence of the Supreme Court of Ontario. The other Commissioners are W.N. Wickwire, Q.C., of Halifax, N.S., and Marcel Belanger, C.A., of the City of Quebec. The Secretary of the Commission is G.G. McLeod, an economist of the Department of Transport, and the Assistant Secretary is Paul Cimon, formerly Executive Assistant to the Hon. Jean Lesage, Minister of Northern Affairs and National Resources. Offices will be located at 490 Sussex Street, Ottawa.

When all submissions have been received, public hearings will take place in various centres, the times and places to be announced later. The hearings will give individuals, groups, or organizations concerned an opportunity to deal with their own or other submissions or to make other oral representations, in person or by counsel.

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PIPE-LINE OIL DELIVERIES: A record demand for oil in January brought deliveries through Canadian pipe lines to a new high monthly total of 17,616,000 barrels versus 15,925,138 in the preceding month and 15,366,806 in the corresponding month last year. The daily average was 568,259 barrels versus 513,714 in December and 495,703 in January, 1953.

Provincial deliveries for the month were as follows: British Columbia, 2,176,000 barrels (939,868 a year ago); Alberta 1,688,358 (1,418,191); Saskatchewan, 1,036,936 (1,221,276); Manitoba, 4,103,642 (3,911,760); Ontario, 3,316,605 (2,837,248); and Quebec, 5,294,488 (5,038,013).

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ON UN NARCOTICS COMMISSION: Mr. K.C. Hossick of Ottawa, chief of the Narcotic Division of the federal Department of National Health and Welfare, has been named Canadian representative of the United Nations' Narcotic Commission.

NAC VISIT: The Permanent Representatives of the North Atlantic Council, in company with Lord Ismay, the Secretary General of NATO and Vice Chairman of the Council, will visit Air Defence Command in St. Hubert, Que., near Montreal, on May 22 and 23.

The Council members have been invited by Admiral Jerauld Wright, the Supreme Allied Commander Atlantic, to visit the Headquarters of the Supreme Allied Command Atlantic in Norfolk, Virginia. On completion of this visit they have been invited to visit Air Defence Command and have an opportunity of seeing an important part of the defences of this region of the North Atlantic area.

The Council has already visited various European commands and this is the first occasion of a visit to North American Commands.

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ARCTIC SURVIVAL TEST: Air Force Headquarters has revealed how nine aircrew officers spent a sub-zero 10-day period in the Alberta bush, proving that RCAF emergency rations and equipment will keep a man alive and well.

Food consisted for the most part of emergency rations, a day's meal being represented by concentrated foodstuffs that hardly cover the palm of a man's hand. Some of those undergoing the test existed with nothing but their normal flying gear, a parachute, and emergency items contained in the small seat pack which forms part of a fighter pilot's parachute harness.

Temperatures ranged as low as 33 degrees below zero, and while the group lost an average of 11 pounds each, all came through the tests in perfect physical condition. There were no accidents and no cases of frostbite.

* * * *

IMPORTS FROM U.S. UP: Mainly due to a substantial boost in purchases from the United States, Canada's commodity imports in January rose 9% in value to \$306,600,000 from \$280,-200,000 a year earlier, according to final figures released March 31 by the Dominion Bureau of Statistics. The rise in total value was the result of increased volume, prices averaging slightly lower.

Final totals for exports amounted to \$310,-100,000 versus \$265,400,000, resulting in an export surplus of \$3,500,000 in contrast to an import surplus of \$14,800,000 in January last year.

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Production of natural gas in Canada during last December amounted to 13,591,559 M. cubic feet compared to 12,289,518 M. cubic feet in December 1953, making an uninterrupted series of monthly gains in 1954 over the previous year.

CANADIAN DEFENCES VISITED: Twenty-eight military attachés and advisers from 20 countries will visit eastern Canada defence installations April 18-27, it was announced on April 14 by National Defence Headquarters.

The tour is similar to one carried out last year, when more than a score of foreign naval, military and air attachés and service advisers inspected Canadian defence establishments in western Canada, the Northwest Territories and the Yukon.

Crowded into this year's 10-day schedule will be visits to Quebec City and Camp Valcartier, home of the 3rd Battalion, Canadian Guards, on Monday, April 18; the RCAF Stations at Chatham, N.B., and Greenwood, N.S., on April 19; HMCS Cornwallis, Halifax, N.S., and HMCS Shearwater, Dartmouth, N.S., on April 20; and HMCS Labrador, HMCS Stadacona and HMCS Dockyard, at Halifax on April 22.

Saturday, April 23, will be a free day but the tour will be resumed Sunday morning when the group leaves Halifax by RCAF aircraft for Goose Bay, Labrador. The visitors will remain overnight at Goose Bay and, following a tour of the big RCAF station Monday, will fly to Montreal.

In Montreal on Tuesday a tour will be made of No. 25 Central Ordnance Depot, one of the largest military supply depots in Canada, and on the same day the group will visit the RCAF's Air Transport Command at Lachine, Que. After spending another night in Montreal, the party will be flown back to Ottawa by the RCAF during the morning of April 27.

* * * *

SUMMER TRAINING FOR UNDERGRADS: More than 2,000 young men from Canadian services colleges and civilian universities will train with the Canadian Army at home and overseas this summer.

Second lieutenants and officer cadets of the Canadian Officer Training Corps (COTC) and the regular Officer Training Plan (ROTP), will undergo basic and advanced training at Army Corps schools, with Regular Army units in Canada and the 1st Canadian Infantry Brigade in Germany.

The training period begins April 15 and ends September 15.

Three hundred of the candidates are officer cadets from the Royal Military College, Kingston, Ontario, Royal Roads, Esquimalt, B.C., and College militaire royal de Saint-Jean, Saint-Jean, P.Q. The remainder are studying at colleges and universities from Newfoundland to British Columbia.

Seventy-three of the candidates will go to Europe this summer for attachment as officers with various units of the 1st Canadian Infantry Brigade in Germany. About the same number of COTC and ROTP personnel trained with the Canadian NATO force last year.

SHIPBUILDING INDUSTRY: The value of production in Canada's shipyards reached a post-war peak of \$183,215,310 in 1953, up 15% from \$159,057,949 in 1952, according to the Bureau's annual industry report on the shipbuilding industry. Ships delivered during the year were worth \$53,520,954 as against \$34,881,738 in 1952. Value of work done in previous years on ships delivered during 1953 was \$32,427,998 and the value of work done on ships not completed in 1953 was \$74,218,646. This put the total value of new construction in 1953 at \$95,311,602 versus \$82,573,815 in 1952. The value of ship repairs during the year was \$62,787,081 as compared with \$47,578,971 in the preceding year.

Among the ships delivered during 1953, the sharpest increase over 1952 was in naval vessels, which numbered six as against three and were worth \$14,959,639 as against \$4,249,-816. Cargo and cargo-passenger vessels numbered six worth \$17,608,921 versus six worth \$17,935,109 in 1952. One dredge was delivered in each year but the 1953 vessel was worth \$1,587,675 as compared with \$731,325 for the one delivered in 1952. Deliveries of ferries dropped sharply to one worth \$141,023 from four valued at \$329,637. Fishing boats decreased to 20 worth \$607,404 from 23 valued at \$936,569. No passenger ships were delivered in 1952 but three worth a total of \$600,000 were completed in 1953. Scows and barges numbered 13 worth \$567,029 versus 22 valued at \$753,793. One tanker worth \$7,453,180 was delivered in 1953 as compared with two valued at \$8,674,242 in 1952. Output of tugs fell to 20 worth \$326,666 from 27 valued at \$669,490. The number of small power craft delivered rose to 13 worth \$113,405 from two valued at \$4,750, while small craft without power numbered 13 worth \$30,522 as against 26 valued at \$6,734. Other commercial vessels numbered 35 and were worth \$9,525,490 as compared with 56 valued at \$590,273 in 1952.

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CLASSROOM TELEVISION: Further experiment into the classroom use of television has been recommended by the National Advisory Council on School Broadcasting in a report on a classroom television experiment carried out last November. The 64-page report released by the CBC is based on findings among more than 500 teachers and 18,000 pupils who took part in the experiment.

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Last year Canada imported 140 pounds of dragons blood from the United States.

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Ten foreign countries bought \$61,019 worth of Canadian paintings last year.

(Continued from p. 2)

(C.W.B. April 15, 1955)

CANADA HAILS SALK POLIO VACCINE

into its value, these grants were used for the purchase of respirators and other therapeutic equipment; the establishment of polio clinics and suitable hospital accommodation for polio victims; the employment of special professional staff for training and rehabilitation; and the encouragement of research on polio problems.

The development of polio vaccine by Dr. Jonas E. Salk and his colleagues is a dramatic chapter in the story of modern medical science. It was only possible because, as a result of an intensive research effort conducted mainly in the United States and Canada over the past five years, a broad base of scientific knowledge about polio had been accumulated. . . ."

* * * *

PUPIL'S MENTAL HEALTH SURVEY: The emotional outlook and attitude toward life of Quebec City's 23,000 school children will be studied by a professional team composed of a social worker, a psychologist, and a mental health nurse, it was revealed here today by the Honourable Paul Martin, Federal Health Minister. The project will be supported by a \$25,500 national health grant.

The professional team and the city's teachers will work together in an effort to improve the students' opportunities to make healthy adjustments to their environments, the minister said.

Children requiring individual treatment will be referred to the Medical-Social Centre, a child guidance clinic.

Mr. Martin noted that the project is of an experimental nature. At the end of three years it will be carefully reviewed to determine whether the service is successful in preventing maladjustments and mental illness.

The Minister pointed out that this is one of a number of mental health services for school children being established across Canada.

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NEW METALLURGY FELLOWSHIPS: Basic research in geology and metallurgy is now going forward in five Canadian universities under a fellowship programme sponsored by the International Nickel Company of Canada, Limited, with an estimated grant of \$80,000.

Since the Inco Fellowships were instituted in 1951, the fellows have been selected by the National Council of Canadian Universities Fellowship Committee. The fellowships are tenable for three years.

The National Council of Canadian Universities Scholarship Committee has just announced three new Inco Fellowships and the renewal of five others. The new fellowships go to John T. Cumberlidge and Andrew B. Whitehead, of McGill University, and Walter Morris, of the University of Toronto.

CBC SUPERVISOR WINS AWARD: Richard S. Lambert, CBC Supervisor of School Broadcasts, received a special award recently from the Institute for Education by Radio-Television at its 25th anniversary dinner in Columbus, Ohio.

The Institute, which conducts an Exhibition of Educational Programmes each year at Ohio State University, presented Mr. Lambert with a 25th Anniversary Award for outstanding contributions to the development of educational broadcasting during the last quarter century.

Mr. Lambert's association with the Institute goes back to its beginning in 1931, when he represented the BBC at the first Institute for Education by Radio at Columbus. In 1939 he came to Canada to live and began broadcasting commentaries for the CBC. In 1942 he was instrumental in arranging the first series of National School Broadcasts in Canada with the co-operation of all the provinces, and was appointed Supervisor of School Broadcasts the following year. . . .

In 1946, Mr. Lambert was seconded by the CBC to the preparatory commission of UNESCO, where he served as Counsellor for Radio in the Mass Communications Section and helped prepare the first UNESCO report.

Last year he supervised the first Canadian experiment with classroom television, a report of which was recently published. Called Let's Take a Look, this series won a first award at the Columbus exhibition this week. . . .

* * * *

AIRMAN RECEIVES U.S. DECORATION: General Robert M. Lee, Commanding General of the 4th Allied Tactical Air Force in Europe, recently presented Wing Commander J.D. (Doug) Lindsay, of Arnprior, Ontario, with the United States Distinguished Flying Cross for his services in Korea, it was announced by RCAF Air Division Headquarters in Metz, France, on April 7.

The presentation took place in General Lee's office at the 4th ATAF Headquarters in Trier, Germany. In attendance were Air Vice Marshal Hugh Campbell, Air Officer Commanding the RCAF's Air Division in Europe, and Air Commodore W. MacBrien, Chief of Staff at Air Division headquarters, Metz, France.

W/C Lindsay, now serving at the RCAF's Air Division headquarters in Europe, had a distinguished record in the Air Force in the Second World War. In July 1952, he was sent to Korea to serve with the USAF on fighter operations until November 1952, when he was returned to Canada. While serving with the USAF he was credited with destroying two MIG-15's and damaging three others.

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The price index for 30 industrial materials at wholesale, on the 1935-39 base, rose 0.4% during March to reach 230.0 for the week of March 25 as compared with 229.1 for the week of February 25.



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WEEK'S EVENTS IN REVIEW

THE BUDGET: Personal income tax reductions averaging 10 per cent and cuts in corporation tax and the taxes on automobile tires and tubes were announced by the Minister of Finance, Mr. Walter Harris, in his first Budget Speech in the House of Commons on April 5.

The personal income tax reduction becomes effective on July 1 this year, but the Minister estimated that over a full 12-month period the total taxation relief accorded in the Budget would amount to \$207,000,000.

He asked the United States to "continue to give positive direction and leadership in reducing barriers to the free flow of world trade" and added, "We in Canada will continue to play our part in any further steps that are taken to promote these objectives."

The main points in the Minister's Budget announcements were:

Personal income tax reduced by average 10 per cent effective July 1, with reductions 12 to 13 per cent for 85 per cent of taxpayers.

Special 15 per cent excise tax on new automobiles reduced to 10 per cent, effective immediately.

Special 10 per cent excise tax on tires and tubes repealed immediately.

Corporation tax on large company incomes reduced to 45 per cent from 47, effective January 1, 1955; small company (under \$20,000 income) tax unchanged.

Incentive tax concessions for oil, gas and mining industries, now temporary, made permanent.

Government forecasts \$160,000,000 budget deficit in 1955-56.

Budget revenue forecast at \$4,202,000,000; expenditure, \$4,362,000,000.

Government to set up Royal Commission to survey Canada's economic prospects.

Minor exemptions to general sales tax provided, totalling about \$1,000,000 a year, effective immediately.

Tariff of 7½ per cent imposed for first time on polyethylene resins, widely used in plastic industry, effective immediately.

Tariff board to inquire into tariffs on primary iron and steel and potatoes.

Canadian civilians, abroad for six months or more, may bring back household and personal effects duty-free as "settlers' effects." Similar provisions exist for soldiers and Government employees.

Earlier estimated 1954-55 budget deficit of \$148,251,000 revised to \$194,000,000 in closing out the deficit on the Old Age Security fund.

In his remarks on the international situation, Mr. Harris said, in part:

"In helping countries to restore stability in the post-war years, to expand production and to increase their international trade, no nation has played a more constructive role than the United States. As every member of this House is aware, the success that has already been recorded is due largely to generous and farsighted American policies.

"In the past twelve months, however, while there was no basic change in American policies,

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there was a disappointing lack of progress toward actual reductions in trade barriers and there were disconcerting signs of a revival of protectionist feeling in response to the increase in competitive conditions.

"I should remind the House that the United States Administration has resisted proposals which, in our opinion, would not advance the cause of friendly and mutually advantageous trade. This resistance we welcome. On the other hand, the resistance has not been uniformly successful. We all have our difficulties and it is not always possible to achieve ideal solutions.

"But it must be recognized that actions taken or even implied by the Government of the United States may weaken support for liberal commercial policies and may impose upon those of us who are firm supporters of such policies a greater burden in defending them in our own countries.

GIVE AND TAKE

"One country cannot attempt to get the maximum benefit at the cost of the minimum adjustments without creating a desire in other countries to achieve the same result. There must be a reasonable give and take in any durable trade relationships, whether under the GATT or under any other system.

"It is of the utmost importance for the future of international economic cooperation that the United States should continue to give positive direction and leadership in reducing barriers to the free flow of world trade.

"We in Canada will continue to play our part in any further steps that are taken to promote these objectives. As one of the world's great trading nations, it is clearly in our interest to encourage overseas countries to earn dollars in order that they may be able to buy our exports, which are the source of over one-fifth of our income.

"If we are to maintain our standard of living and use our resources and skills to best advantage, we must be prepared to permit other nations to do the same. Markets everywhere are becoming more competitive, but as an important exporting nation we must continue to look very carefully at all proposals involving government protection and aid. The effects of the higher costs resulting from artificial assistance in one form or another would have to be borne by the Canadian consumer in the form of higher taxes and higher prices and, even more important, by the Canadian producer for export in the form of lost markets overseas and lost employment here.

"We should be particularly careful about impeding imports from countries whose trading position was impaired by the war -- countries which are now dismantling their discriminatory restrictions against our exports and which can be expected to buy still more from us as long as we do not prevent them from earning the dollars to do so. . . ."

The Minister expected an increase in gross national production in Canada in 1955 to about \$25 billion, a five or six per cent increase over 1954, and, of the economic outlook said, in part:

"The long-term economic outlook for Canada is extremely bright. It has changed tremendously in the past 25 or 30 years, and it will continue to change. The world we live in has changed too, and that process will go on.

"None of us has any doubts as to our great future, or of our capacity greatly to expand our population and our standards of living. I suppose all of us in this House have, from time to time, made speeches about our great opportunities and our shining future....

"The Government intends. . . . to appoint a Royal Commission with instructions to look ahead and examine carefully our future economic prospects. The sort of study we have in mind would include probable developments both in our productive capacities and in our external markets. It would include an examination of our population growth in both its regional and age distribution aspects. It would assemble information and speculate thoughtfully about the magnitude and nature of our future requirements for the great variety of physical amenities which contribute to a steadily rising level of well-being."

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EUROPE, ASIA TOUR: A party of 34 members of the directing staff and students of the National Defence College, Kingston, Ontario, left Canada April 2 on the first leg of a two-month overseas tour. The tour is one of a series arranged annually by the college to provide students with first-hand knowledge of conditions in other countries.

The entire party will visit the United Kingdom and France, then split up into two groups. One will visit Western Europe, the other the Middle East and South Asia. Among the countries to be visited are West Germany, Greece, Turkey, Italy, Pakistan and India.

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ARCTIC AIRLIFT: RCAF spring re-supply of weather bases in the Arctic Islands jointly operated by Canadian and US Meteorological Services began April 6.

Nearly 750,000 pounds of equipment, food supplies and fuels is being airlifted into four US-Canadian sites by C119 "Packets" of 435 Edmonton, and 436 Lachine, transport squadrons. The USAF operating from Thule air base on Greenland will also take part by lifting supplies into the two most northern points at Alert and Eureka on Ellesmere Island.

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An estimated 67,500 full-time students are enrolled in universities and colleges across Canada for the current academic year. 3,300 or 5% more than in 1953-54.

GOVERNMENTAL FINANCIAL OPERATIONS, 1954-55

DEFICIT \$148,000,000: A White Paper, tabled in the House of Commons on March 4 as a prelude to the presentation of the Budget on April 5 set forth the following as the highlights of governmental financial operations during 1954-1955.

"The budgetary revenues of the Government for the fiscal year ended March 31, 1955 are now estimated at \$4,107 million. This is \$357 million or about 8 per cent less than the amount of \$4,464 million forecast in last year's Budget Speech and approximately \$289 million less than the total collected in the preceding year.

"Budgetary expenditures are estimated at \$4,255 million which is \$205 million or 4½ per cent less than the budget forecast and about \$95 million less than the total spent in 1953-54.

"On the basis of these figures the indicated deficit is about \$148 million compared with the budget forecast of a nominal surplus of \$4 million and a surplus of \$46 million for 1953-54.

REVENUE SIDE

"On the revenue side of the Government's budgetary operations the most significant feature was the decline of \$251 million in tax revenues. Corporation income taxes declined by \$183 million, excise taxes by \$53 million, customs import duties by \$14 million and personal income taxes by \$12 million, but these were only slightly offset by increases of \$7 million in taxes on dividends, interest, rents and royalties going abroad, and \$3 million in succession duties.

"On the expenditure side, the most significant feature was the continued importance of defence in the Government's expenditure programme. Although defence expenditures at \$1,697 million were \$157 million or about 8 per cent less than those of the previous year, they still constituted 40 per cent of the Government's total budgetary outlay. In 1953-54, defence expenditures represented 42.6 per cent of the total.

"Although the budgetary deficit was \$148 million, the Government made loans, advances and other non-budgetary disbursements of about \$292 million and at the same time reduced the amount of its unmatured funded debt outstanding in the hands of the public by approximately \$202 million. This was achieved by using the \$488 million available from insurance, pension and annuity accounts receipts, the repayment

of loans and advances and other non-budgetary receipts and credits, and by letting cash balances run down by \$154 million

"During 1954-55, the Government's liability for unmatured debt decreased by \$88 million, but as other liabilities of the Government increased by \$109 million, the gross public debt increased by \$21 million to \$17,944 million at March 31, 1955. During the same period the net active or realizable or revenue-producing assets decreased by \$127 million to \$6,680 million with the result that the Government's net debt -- that is, the gross debt less the active assets -- was \$11,264 million at March 31, 1955, an increase of \$148 million.

"After taking into account the budgetary deficit of \$148 million and the net balance of \$196 million available from non-budgetary transactions, \$48 million was available for debt reduction. By using this amount and by allowing cash balances to run down by \$154 million, unmatured funded debt in the hands of the public, after taking into account sinking fund purchases and transactions in the securities investment account, was reduced by \$202 million."

Under the heading, "National Income and Product," the Government reported:

GROSS NATIONAL PRODUCT

"Gross national product for 1954 is estimated at \$24.0 billion, a decline of \$.4 billion from 1953. This indicates a reduction of 2 per cent in terms of value; but in terms of volume or real product the decline may have been slightly larger.

"The decline in production for 1954 is in sharp contrast with the large gains of the four years 1950 to 1953; and came about despite a further increase in the potential of the economy, because the effect of some slackening in aggregate demand was combined with a large and fortuitous reduction in the western grain crop. . . .

"Although production in 1954 was lower for the year as a whole than in 1953, there was an upturn in the volume of production in the last quarter of the year. The fourth quarter estimate of gross national product exclusive of agriculture was higher on a seasonally adjusted basis than any previous quarter in either 1954 or 1953."

Under "National Expenditure", the Paper notes that consumer expenditure rose from \$15,115 million in 1953 to \$15,581 million in 1954.

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For the third year in a row Canadian travellers last year spent more in the United States than U.S. travellers did in Canada - \$311,000,000 versus \$278,000,000.

There are 2,616 students working for law degrees in Canadian universities and colleges in the current academic year, 66 more than in 1953-54 and 459 more than in 1952-53.

3,300 NATO AIRCREW TRAINED IN CANADA

SINCE LATE 1950: The 6th anniversary of NAIC, which occurred on April 4, this week, found the RCAF handling one of Canada's most significant NATO contributions, the aircrew training programme.

More than 3,300 aircrew from nine other NATO countries have won their wings with the RCAF in Canada since the scheme began in late 1950. So routine has the operation become that wings parades are no longer news in Canada. However, wings ceremonies at prairie flying stations last week saw 18 NATO aircrew trainees from France and the Netherlands win theirs, and prepare for their journey home as trained aircrew. Another 12 aircrew from France and Turkey are scheduled to receive their wings this week, to swell the ever-growing total of Canadian-trained NATO aircrew.

The RCAF is training student flyers from the UK, Norway, Denmark, France, the Netherlands, Belgium, Portugal, Italy and Turkey. Aircrew students from Greece are scheduled to be added to the list, the Department of National Defence announces.

Upon arrival in Canada, NATO trainees are sent to RCAF Station London, Ontario, where the RCAF provides familiarization lectures for indoctrination into Canadian service life. This pre-flight orientation course serves to reduce the shock of intensive aircrew training under conditions strange to the students from abroad.

After the initial three-week course NATO pilot trainees move on to one of the RCAF's flying training schools, most of which are located on the broad expanses of the Canadian prairies. Future NATO navigators receive their training and wings at Winnipeg, Man.

On completion of their initial flying training on piston-engine Harvards, potential NATO pilots pass on to the advanced flying training phase. This advanced instruction is given on either T-33 Silver Star jets or on twin-engine Mitchells, depending on the type of operational flying for which the trainees are destined.

The NATO aircrew training programme is but one of the Canadian NATO contributions which are being handled by the RCAF. The sixth anniversary of NATO finds the RCAF's Air Division firmly established overseas, as part of the NATO air forces in Europe.

During 1954 Canada steadily replaced the Mark 2 Sabres, with which its Air Division was originally equipped, with the more powerful Mark 5, powered by the Canadian designed and built Orenda jet engine. A still improved version of the Sabre, the Mark 6, is to go into NATO service with the Air Division.

Significant too, was the move by Canada's No. 1 Fighter Wing, based at North Luffenham in the United Kingdom since its formation in 1951, to its new continental NATO base at Marville, France. With the move completed Canada's four fighter wings assigned to NATO now are grouped in France and Germany.

In the operational field, participation in aerial exercises occupies a large portion of the flying time binding the RCAF close to the five sister nations forming the Allied Air Forces Central Europe - AAFCE.

Looking back over the past six years Canadians can note the rapid strides with which the RCAF has covered the distance to building up an Air Division of 12 jet fighter squadrons in Europe.

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MINK NOW LEADS FURS: King of Canada's fur farms in pre-war years, the fox today runs a poor third to mink and chinchilla. The Bureau's latest report shows only 5,345 foxes on farms at the start of last year as compared with 299,433 mink, 15,889 chinchillas and 390 other animals. At the start of 1939 there were 141,000 foxes, 106,283 mink, 60 chinchillas and 23,038 other types.

The 321,057 animals on Canadian fur farms at the start of 1954 were valued at \$10,835,709, down from \$15,412,758 at the start of 1946, when animals numbered 310,220, but up from \$8,929,504 at the beginning of 1939, when the total was 270,381. The increase in numbers and the decrease in total value since the war was the result of a drop in the average value of animals of all kinds.

In total value terms, mink were by far the most important animals on fur farms at the start of last year, being worth \$8,142,229 as compared with \$2,580,961 for chinchillas and only \$96,833 for foxes.

EXPORT CREDITS INSURANCE: Export sales insured by the Export Credits Insurance Corporation during 1954 totalled \$36,304,822, an increase of 40 per cent over 1953, according to the Corporation's annual report tabled March 29 in the House of Commons by the Minister of Trade and Commerce, Mr. Howe.

The bulk of the increase was accounted for by the insurance of capital goods sold on a medium term credit basis, where the payment terms in some cases extended to four years.

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Manufacturers' investment in inventory at the end of January totalled \$3,520,300,000, narrowly below the preceding month's \$3,528,700,000 but 5% under last year's \$3,698,700,000.

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Workers in the major non-agricultural industries earned an average of \$58.88 a week last year, \$1.58 or 3% more than in 1953.

CAPITAL OUTFLOW: Trade in outstanding securities between Canada and other countries in January resulted in a purchase balance or capital outflow of \$6,300,000. The outflow to the United States amounted to \$11,700,000 and was offset to some extent by sales balances or capital inflows of \$4,800,000 from the United Kingdom and \$600,000 from other overseas countries.

On balance, Canadians repurchased \$20,600,-000 of non-resident held Canadian bonds and debentures, but sold to non-residents \$11,-600,000 of Canadian stocks and \$2,700,000 other securities, mainly United States stocks. The volume of trading, although down by about \$12,000,000 as compared to the previous month continued to be high and for the 11th consecutive month has exceeded \$100,000,000. Trading in Canadian common and preference stocks accounted for 55% of the total turnover.

Most of the trading in Canadian bonds and debentures took place with United States residents, from whom Canadians repurchased \$12,200,000 of Government of Canada direct and \$3,400,000 guaranteed issues. Repurchases of \$4,600,000 Provincial and \$400,000 municipal debentures accounted for the balance of the repatriation. There was very heavy trading of Canadian stocks with United States residents. Net sales amounted to \$6,400,000 compared with an average of \$9,400,000 for the previous seven months during which sales to United States new investment trusts were an important influence.

* * * *

SCHOLARSHIPS: Details of university entrance awards available to high school students are contained in the publication "Undergraduate Scholarships and Bursaries Open to Students Entering Canadian Universities" released by the Dominion Bureau of Statistics.

In it are listed 468 groups of awards each valued at \$100 and over from 29 Canadian degree-granting universities and colleges. While in many cases the total number of awards available in each group are not specified, a minimum of 1,600 scholarships and bursaries are available. The total value of the awards runs to over \$1,000,000.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat on March 16 totalled 336,332,000 bushels, down 10% from last year's corresponding total of 362,778,000 bushels. Deliveries of wheat from farms in the Prairie Provinces during the week increased to 3,833,000 bushels from 2,590,000 and overseas export clearances climbed to 4,837,000 bushels from 1,804,000.

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Banff National Park in Alberta, established in 1885, is Canada's oldest scenic national park.

FIRST ATOMIC POWER PLANT: The Minister of Trade and Commerce, Mr. C.D. Howe, announced in the House of Commons on March 24 that Canada's first atomic power plant to produce electricity is to be built jointly by the federal Government and the Ontario Hydro-Electric Power Commission at a cost of between \$13,000,000 and \$15,000,000.

After outlining the studies leading up to the decision, he proceeded, in part:

"The reactor will be designed to produce 20,000 kilowatts electric. Its nuclear specifications will be based, in the main, on the heavy water technology which has been developed at Chalk River in connection with the operation of the NRX reactor. While the reactor is not expected to produce power at costs competitive with hydro plants or large thermal stations, it will provide the kind of operating and cost experience which will make possible a scale-up to a large and economic power reactor. . . .

"The arrangement will provide that Atomic Energy of Canada Limited will assume responsibility for the specifications and the cost of the reactor, and that the Hydro-Electric Power Commission of Ontario will assume responsibility for the specifications and cost of the conventional part of the plant, including the cost of the building to house the entire plant and the cost of its site.

"Ontario Hydro will operate the plant as a part of its power system and for that purpose will purchase steam from Atomic Energy of Canada Limited at a price equivalent to the cost of steam produced in the emergency plant erected at Scarborough, Ontario, some years ago. . . .

The Minister said the experimental plant would be built in Ontario on a site to be chosen by Ontario Hydro and Atomic Energy of Canada, Limited, which operates the Chalk River, Ontario, atomic project.

Contract for construction of the reactor would be awarded to Canadian General Electric Company and it was expected that construction would be completed by mid-1958.

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NEW ANTI-COAGULANT: A new anti-coagulant has just been synthesized at the National Research Council's Maritime Regional Laboratory at Halifax, N.S., the National Research Council announced March 30. The product is not yet in commercial use. At present the test anti-coagulant is probably heparin; but it can only be obtained from livers, is difficult to prepare, and expensive.

Basic material for the new anti-coagulant is cheap and abundant, as it comes from kelp, a type of seaweed; the synthetic compound has been shown to be non-poisonous in large doses and to act for the required length of time.

EDUCATION, TRAINING FOR INDIANS, ESKIMOS

PREPARE FOR NEW NORTH: The Minister of Northern Affairs, Mr. Jean Lesage, announced March 28 that the Government has approved an extensive programme of construction of schools and hostels to provide better education for children in the Northwest Territories.

Mr. Lesage said the steady increase in the Indian and Eskimo population of the north, as well as the sharp drop in fur prices in recent years, had made it increasingly difficult for the native population to continue to rely entirely on the wildlife resources of the country.

The scattered character of the Indian and Eskimo population makes it impossible to provide education for most of the children except at centres where residential facilities are provided. The hostels will provide such facilities. They will be built and owned by the Government. Those intended primarily for Indian and Eskimo children will be operated by the Roman Catholic and Anglican Churches.

The programme of construction will be spread over six years. As the need for education is most urgent in the Mackenzie Valley, the main emphasis during the six years will be there.

The programme includes hostels and schools at Fort McPherson, Fort Smith, Fort Simpson and Aklavik in the Mackenzie Valley, and at Frobisher Bay on Baffin Island. A start will be made in the summer of 1955 on construction at Fort McPherson, and it will be completed in 1956.

Mr. Lesage said that the vocational training schools would be established at Aklavik,

Yellowknife and Frobisher Bay. They will provide training for children in the Northwest Territories - Indians, Eskimos, and others - to enable them to learn skilled or semi-skilled occupations. With such training the children will be in a position to take up new employments and to participate in the increasing economic development of the north.

The Minister said the schools and hostels will be financed by the federal Government. All costs will be paid by it in respect of Indians and Eskimos, since they are a federal responsibility.

The programme will involve the enlargement of existing federal day schools at Fort McPherson, Fort Smith and Fort Simpson. A new school will be built at the new site of Aklavik. All of these schools will be attended by the Indian and Eskimo children resident in the hostels, as well as by all the children, of whatever race, whose homes are in the settlement. Mr. Lesage said that both the federal and the territorial Governments felt it was most important to avoid any segregation along racial lines in the schools of the Northwest Territories.

A special curriculum is being prepared for Indian, Eskimo and other children in the Northwest Territories who are not likely to go beyond grade school. It will be designed to fit such children for the type of employments that are likely to be available in the Territories and which do not require advanced training.

* * *

DEW LINE SURVEYS: The Royal Canadian Navy's Arctic patrol vessel HMCS Labrador will play an important role in operations to be carried out this summer in Canada's eastern Arctic.

The operations involve the transportation of personnel and equipment for construction on the eastern portion of the joint U.S. - Canadian Distant Early Warning -- or DEW -- line, a radar system which will extend eventually across the Canadian Arctic.

In company with a group of USN and US Coast Guard icebreakers, the Labrador will carry out survey work off Baffin Island, after entering the area from Hudson Strait as early in July as ice conditions permit.

The Labrador will survey beaches and possible landing sites carrying the necessary hydrographic and scientific personnel to complete the work.

Following the survey, the Labrador and U.S. ice-breakers will retire to Hudson Strait, where they will meet U.S. transports carrying men and equipment, and escort them to the landing areas. The Labrador will remain in the area as long as feasible.

HOT MINERALS UP: Production of 14 of Canada's 16 leading mineral products was higher in the year 1954 than in the preceding year with major gains in iron ore, copper, lead, nickel, natural gas and petroleum, the Bureau's monthly summary shows. Coal and zinc declined.

The year's output of copper rose to 302,984 tons from 253,252 and gold to 4,366,506 fine ounces from 4,055,723.

Iron ore production increased to 7,338,629 tons from 6,509,818, lead to 219,280 tons from 193,706, natural gas to 120,878,381 M cubic feet from 100,985,923 M, nickel to 158,520 tons from 143,693, petroleum to 96,065,294 barrels from 80,898,897, and silver to 30,680,-491 fine ounces from 28,299,335. Production of coal dropped to 14,908,741 tons from 15,900,-673.

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Highway traffic between Canada and the United States increased nearly 9% in January over the same month last year when 728,500 vehicles crossed the border versus 669,500.



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WEEK'S EVENTS IN REVIEW

CANADA-U.S. RELATIONS: Reaffirming his view that Canada could not stand aloof from a major war which threatened the very existence of the people of the United States, the Secretary of State for External Affairs, Mr. L.B. Pearson, added, in the House of Commons on March 24;

"But I must add in all frankness that I do not consider a conflict between two Chinese Governments for possession of these Chinese coastal islands, Quemoy or the Matsus, to be such a situation, or one requiring any Canadian intervention in support of the Chinese Nationalist regime. That view has already been made known more than once to our friends in Washington."

In an hour-long review of world affairs which launched the external affairs debate, the Minister touched on increasing Canadian international responsibilities, the aspirations of the Asian people, the work of the Indo-China Armistice Commissions and the disarmament talks in London but stressed mainly Canada's position in respect of Formosa and Canada-United States relations.

At the conclusion of Mr. Pearson's speech the debate was continued by Mr. John G. Diefenbaker, for the Progressive Conservative Party; Mr. M.J. Coldwell, Leader of the C.C.F.; Mr. Solon E. Low, Social Credit Leader, and others, and will be continued indefinitely.

After outlining the position taken by the United States on Formosa and the coastal islands, Mr. Pearson proceeded, in part, on that subject:

"The Canadian position on this matter has been stated in the House. We have accepted no commitment to share in the defence of either Formosa or the coastal islands, or to intervene in any struggle between the two Chinese Governments for possession of these off-shore islands. Our obligations in this matter arise only out of our responsibilities as a member of the United Nations, and I have stated in this House what those are.

"We also think that a distinction, politically and strategically, can be made between Formosa and the coastal islands; also between Formosa and Korea. Nevertheless, the fact that we have no commitments certainly does not mean that we have no concern. We have a deep and abiding concern because of considerations which make isolation from these questions well-nigh impossible.

"There is first our general concern with peace and anything that might threaten it. Then there is our special concern with United States policy from the consequences of which Canada, a North American country, cannot escape. Finally there is our close concern with anything that weakens--as this question may--that coalition the strength and unity of which, under the leadership of the United States, is at present the strongest deterrent against communist aggression and war.

"I have said, only recently, as many others have said before me, that it would be impossible, in my view, for either the United States or Canada to be neutral if the people of the

other country were engaged in a major war in which their very existence as a people was at stake, and that in working out our foreign and our defence policies we can never forget that fact. By 'we' I mean the United States as well as Canada.

"I think that is self evident. It is one of the facts of international life which we, and indeed other countries, have accepted. We in Canada have already recognized that fact by our membership in NATO. We have recognized it also in our North American continental defence arrangements which are and must be, to be effective, on a joint basis and closely cooperative.

"Canadians, and I believe Americans also, understand and accept the inescapable interdependence of Canada and the United States in the policies required for our joint security and for the preservation of peace. We cannot, therefore, isolate ourselves from the implications of that interdependence, if either country were ever attacked by an aggressor.

"If these implications at times cause anxiety on our part, as they do, we certainly would have far greater cause for anxiety if there were no recognition across the border of any such mutual security and defence relationship, or no recognition of our right to make our views known on matters which may be primarily the responsibility of Washington.

DEFENSIVE

"There are two main reasons, I think, why the people of Canada do understand and accept this situation. The first is that any war in which we were jointly engaged would be a defensive one. It is inconceivable to Canadians; it is inconceivable certainly to me, that the United States would ever initiate an aggressive war. It is also inconceivable that Canada would ever take part in such a war.

"The second reason, as I see it, is that the only aggressive force that threatens us today, or that could commit a major aggression, is communist imperialism. Does anybody believe that we could or should keep out of an all-out struggle precipitated by communist aggressive power which, if victorious, would end everything that makes for free and decent existence?

"That, then, Mr. Speaker, is the meaning of the proposition I have advanced, of the inevitability of close, co-operative arrangements with the United States in maintaining the peace and joint defence against a major attack. This means, as the United Nations and NATO meant, that our right to be neutral has been limited by our desire to strengthen the security of our country and protect the peace. It does not mean, although I have heard it mistated in these terms that whenever the United States is engaged in any kind of war, we are at war. . . .

"It certainly does not mean that we must participate in limited or peripheral wars, although because of the danger of such wars

spreading it gives us the right and the duty to express our concern, not only in Washington but also in London or in the United Nations or in NATO, over situations or policies that might lead to conflict. It also makes it imperative on all of us to prevent local conflicts, not only because they are war -- war is war whether local or general -- but also because they can spread and cover the world. In that case there would be no future for any of us, because a war that covered the world would be a nuclear war.

"This view that we could not be neutral in a major war when the very existence of the people of the United States was at stake, far from representing an abdication of responsibility for our foreign policy, extends and deepens that responsibility. It underlines our right and our obligation to concern ourselves with and make our views known on the policies of others, especially of the United States, when questions of peace and war are involved. Its possession of the greatest power in the world gives us, I think, the right to be especially preoccupied with the policies of the United States. It makes consultation and a continuous exchange of views imperative. It emphasizes our obligation to do everything possible to avoid every kind of war, big or little.

MR. DULLES IN OTTAWA

"That is one reason why we were so glad to welcome to Ottawa in recent days the Secretary of State of the United States, and to discuss with him very frankly and very fully United States policy and our own policy on these matters. . . .

"While believing strongly in the view that the destinies of our two countries are intertwined in the way I have already indicated and as Mr. Dulles has indicated, as well as many others, I want to reaffirm my view that we could not stand aloof from a major war which threatened the very existence of the people of the United States; but I must add in all frankness that I do not consider a conflict between two Chinese Governments for possession of these Chinese coastal islands, Quemoy or the Matsus, to be such a situation, or one requiring any Canadian intervention in support of the Chinese Nationalist regime. That view has already been made known more than once to our friends in Washington.

"What I fear most in this matter is that even limited intervention, defensive in purpose, by the United States might have a chain reaction with unforeseen consequences which would cause the conflict to spread far beyond the locality where it began, and even across the ocean. If a little war were to spread like this it could become literally the little war before the last.

"That is why, may I repeat, we in Canada are definitely and deeply concerned in this particular issue, as we would be in any other

peripheral conflict involving the United States even though we might have no commitments in regard to it which would put us under any obligation for participation, except that which would flow out of our United Nations membership.

"That is also one of the reasons we have to keep in the closest possible touch with Washington, as well as with London and New Delhi and other friendly capitals, on all these matters, and more particularly on these Formosan matters.

"I have personally more than once made known our views, our serious doubts and anxieties to the Secretary of State on this matter and have received from him a full statement of the United States position and the reason it has been adopted. He has confirmed the view, which I have already expressed, that there is no aggressive purpose of any kind behind that United States position.

"It seems to me that the first requirement at the moment for the avoidance of conflict is for both Chinese sides to refrain from using force, particularly -- this is the immediate danger point -- against or from the coastal islands, but also against or from Formosa. . . .

"If the Chinese Communists have a case in this matter, then there are ways and means by which civilized countries can attempt peacefully to settle these disputes, both inside and outside the United Nations

FINDING SOLUTION

"For the moment, however, I think there is a greater chance of finding a solution by direct diplomatic negotiation, which is presently going on, than by the use of the Security Council or even by calling a conference outside the United Nations. The main difficulty in the first case, a meeting of the Security Council, arises over the fact that the Chinese Communist Government is not a member of the United Nations and now refuses to participate in a United Nations meeting at which China is represented by the Chinese Nationalist Government. The main difficulty in the second case, a conference outside the United Nations, is, I think, that it would be premature at this juncture, even if it were possible to get the two Chinese Governments into the same room.

"Although efforts that have been made have not yet resulted in any solution, we do not need to despair or abandon these efforts, which as I have said are taking place through diplomatic channels. What has been accomplished has revealed indications on the communist side of at least a desire to avoid all-out war.

"In the age of the hydrogen bomb a readiness to negotiate may be inspired not by love but by fear. Whatever may be the cause, there is some reason to hope that all the parties concerned may at least be looking for a solution which they could dare to accept. If this is the case, then it would be great folly to miss any opportunity for negotiation which

might present itself; even worse folly to destroy all such peaceful possibility by falling back again on the use of force.

"If a settlement could be reached over this most acute of all recent disputes, the free world might conceivably find itself in a position from which it could proceed, even if slowly, laboriously and fitfully, to establish a framework of peace and political stability in the Far East."

Concluding, Mr. Pearson said:

"I think, Mr. Speaker, that in one sense it is true that the greatest deterrent against a general war, although not against a limited one, is the certainty of nuclear retaliation. In present circumstances that may be our best safeguard. If that is true it may give us some time which can and must be used for continuing the persistent and patient search for the solution to international problems and for the easing of international tensions.

"If we do not find such agreement and understanding then peace, such as it is, will be balanced on a hydrogen bomb or, to use the words which Mr. Nehru used a few weeks ago in London:

'Mankind would be doomed to hover indefinitely on the brink of catastrophe'." . . .

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ATOMIC TESTS: Canada and the United Kingdom have been invited to send a small group of observers to witness atomic tests during the present series being conducted by the Atomic Energy Commission at the Nevada test site.

In a joint announcement by the U.S. Department of Defence and the Department of National Defence, it was stated that the invitation furthers the close relationship which has existed between these countries under the Atomic Energy Acts of 1946 and 1954. The U.S. defence officials have also invited a number of observers of allied countries.

The Supreme Allied Commander Europe and the Supreme Allied Commander Atlantic have each been invited to designate 15 military observers from their commands to witness an atomic explosion in the test series. These observers will be selected from senior officers of the NATO international staffs of both Commands.

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Last year Toronto recorded the largest increase of any clearing centre in the value of cheques cashed, debits climbing almost 19% above the 1953 level. Compared with 1938, Edmonton had the sharpest rise, 1954 debits being more than 8 times those of 16 years earlier.

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Canada's jewellery and silverware industry used \$2,125,246 worth of diamonds in 1953, over twice the \$940,253 worth of other precious and semi-precious stones used.

CONTINUED EXPANSION IN FEBRUARY FOREIGN TRADE

EXPORTS RISE: Canada's foreign commodity trade in February continued the expansion shown in recent months with increases over 1954 both in exports and in imports, according to preliminary figures released by the Dominion Bureau of Statistics. The rise in the value of exports was larger than that for imports, resulting in a smaller debit balance than last year on the month's trade.

Exports were higher in value in February than a year earlier to the United Kingdom and other Commonwealth countries and the United States but lower to all other foreign countries as a group. Imports from the United Kingdom were lower in value but higher from other countries, particularly the United States.

Total exports in February were up 7.7% to \$301,400,000 from \$279,800,000 in February last year, while commodity imports rose 5.2% to an estimated \$308,000,000 from \$292,600,000. The resulting import surplus was \$6,600,000 in contrast to \$12,800,000 in February, 1954.

In the two months, January and February, exports to all countries climbed to \$611,500,000 from \$545,100,000 in the same period last year and commodity imports rose to \$614,600,000 from \$572,800,000. The import surplus in the two-month period was sharply lower at \$3,100,000 in contrast to \$27,700,000 a year earlier.

February exports to the United States moved up to \$181,500,000 from \$171,900,000 in the

corresponding month last year, while imports climbed to \$233,000,000 from \$217,400,000. The larger rise in imports than in exports resulted in a rise in import balance to \$51,500,000 from \$45,500,000. In the January-February period exports rose to \$364,700,000 from \$332,000,000 and imports to \$461,100,000 from \$420,100,000, the import surplus moving up to \$96,400,000 from \$88,100,000.

Exports to the United Kingdom rose in February to \$55,300,000 from \$44,900,000 but imports fell to \$25,600,000 from \$29,000,000, resulting in an enlarged export surplus of \$29,700,000 versus \$15,900,000 a year ago. In the two months exports climbed to \$118,300,000 from \$83,100,000, while imports dropped to \$53,100,000 from \$57,300,000. The export balance thus rose to \$65,200,000 from \$25,-800,000.

Exports to the rest of the Commonwealth in February rose in value to \$16,800,000 from \$11,900,000 and imports to \$10,800,000 from \$10,500,000. In the January-February period the exports were up to \$33,400,000 from \$24,-000,000 and the imports to \$22,500,000 from \$19,500,000.

February exports to all other foreign countries fell to \$47,800,000 from \$51,100,000 but the imports rose to \$38,600,000 from \$35,700,000. In the two months the exports declined to \$95,100,000 from \$106,000,000 but the imports were moderately higher at \$77,-900,000 versus \$75,900,000.

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NEW ANTI-TANK GUN: A new anti-tank weapon with superior qualities of accuracy and penetration has been developed in Canada, it was announced March 25 at National Defence Headquarters.

The weapon is of special interest to the Canadian Army since it is the first complete weapon, ammunition and fire control system that has been designed, developed and manufactured in Canada.

The "Heller", as the new weapon is known, results from extensive research, design and development undertaken by the Defence Research Board at its Canadian Armament Research and Development Establishment at Valcartier, Que. The concept of the weapon and its special characteristics originated with the Canadian Army.

A combination recoilless rifle and rocket launcher, the "Heller" is primarily an infantry weapon which allows the foot-soldier to engage enemy armour much more effectively than was possible with similar weapons used during the Second World War.

The "Heller" fires a projectile which burns through heavy armour and generates such intense heat that a hit almost anywhere on a tank will ensure its destruction.

The "Heller", easily carried by a soldier, can be fired from the shoulder while standing, kneeling or sitting.

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Sales of wholesalers in nine trades averaged 3.5% higher in January than in the first month last year, the Bureau's unadjusted index registering 303.4 as against 294.1. Compared with the previous month sales were down about 1%, the December index registering 357.1. The index is on the base of average 1935-39 sales equalling 100.

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Canadian production of paints and varnishes topped the hundred-million-dollar mark for the first time in 1953, the total of \$102,390,000 comparing with an output value of \$95,961,000 in 1952 and \$44,350,000 in 1945.

PROTEST U.S. PROPOSED OIL IMPORT CURBS

TEXT OF NOTE: The Minister of Trade and Commerce, Mr. C. D. Howe, tabled in the House of Commons on March 23 the text of a note which the Canadian Ambassador in Washington, Mr. Arnold Heeney, delivered to the United States Government on March 16 to protest against measures that have been proposed to restrict the imports of crude oil into the United States.

The text is as follows:

"The Canadian Government is greatly concerned about legislation being considered in the United States to restrict imports of crude oil. Legislation of this kind would have unfortunate and damaging effects to which the Canadian Government wishes to draw attention. The Canadian Government would be equally concerned if the objectives of this proposed legislation were to be carried out by administrative action or if the United States oil industry were to be led to believe that the policy of the administration is to discourage imports from Canada."

REFINERY CAPACITY

"Resulting from the development of the oil industry in western Canada in recent years, there has been a development of refinery capacity and marketing plans in the United States to make use of the increasing availability of Canadian crude petroleum. Two refineries have already been constructed in the Pacific northwest to operate on deliveries from the Trans Mountain pipe line. A refinery is now being built in East St. Paul to make use of Saskatchewan medium gravity crudes. There is notable concentration of refinery capacity in the Detroit-Toledo area which can benefit from access to oil carried eastward by the Interprovincial Pipe Line."

"Reference is made to this refinery capacity already in existence because of the Canadian interest and, as we think, the interest of the United States, in making sure that nothing be done to impair the usefulness of these facilities. Both economic and strategic factors point to the desirability of increasing pipeline and refinery capacity to enable Canadian crude to find markets in the United States. The Canadian Government wishes to emphasize the importance of avoiding restrictive measures in the United States which might frustrate or prevent the continuation of these desirable developments."

"Attention should be given also to the efforts in which the United States Government has taken a leading part, along with the Canadian Government, through the General Agreement on Tariffs and Trade and otherwise, to promote the growth of world-wide multilateral trade on an economic basis and unhampered by restrictions. For the United States to embark upon a

restrictive policy with regard to oil would be directly discouraging to these larger efforts.

"From the point of view of strategic considerations, it should be borne in mind that western Canadian oil fields are internal to the North American continent. Nothing could be more discouraging to exploration for oil and development of this strategic industry in western Canada than the adoption by the United States of a restrictive import policy. It will be remembered that the United States navy on strategic grounds gave support to the construction of the Trans Mountain pipe line and for the construction of additional refining capacity in the State of Washington."

"If the United States Government should conclude, in its best judgment, that its defence interests require that imports of crude oil from countries overseas should be limited to the proportion they bore in 1954 to domestic production, it might be difficult for anyone outside the United States to question such a conclusion. This thesis based on defence interests would certainly not be valid, however, if applied to imports from Canada. The Pacific northwest is at present served by pipe lines from Canada, the existing alternative being to transport crude to that area by tanker, whether from United States sources or from overseas. Tanker ships and ports are so much more vulnerable in wartime than overland transport that the Canadian Government would be unable to understand any decision by the United States to restrict imports from Canada for reasons of defence."

ECONOMIC GROUNDS

"On economic grounds the oil industry itself has established a pattern of development which clearly envisages an increasing use of Canadian crude oil in the north-central and western areas of the United States. The continental marketing pattern would seem to permit Canadian oil to enter these markets without impairing the interests of the United States petroleum industry, because it has been traditionally difficult and costly to move United States oil into those areas which can be supplied most efficiently from Canada. Canadian oil is equally unlikely to affect the interests of the United States coal industry in these areas."

"The United States oil industry should regard Canada not merely as a competitor but also as a market as is made clear by the statistics of trade between Canada and the United States in oil and refinery products. In 1954, Canada imported in excess of \$130 million worth of crude oil and refinery products from the United States and exported only about \$7 million worth of crude oil and products to the United States. With the great growth of the

Canadian oil industry, it is apparent that its products will be increasingly utilized in Canada if export markets are to be restricted.

"As far as the United States oil industry is concerned, therefore, it is very doubtful that any increased markets would be gained on a net basis by implementation of the proposed recommendations in relation to Canada. A great deal would certainly be lost in terms of continental efficiency if both countries were to develop their respective oil industries along purely national lines.

"Having referred briefly to the strategic and economic interests of both Canada and the United States in this matter, the Canadian Government wishes to draw attention to a related problem based upon the trade agreements of the United States Government. If it should be decided to impose restrictions upon crude oil imported into the United States, it might be concluded, as in 1951, that quotas should be allocated to supplying countries.

"If the recent and projected growth of the Canadian oil industry is taken into account, it is obvious that any allocation of quotas on past trade would be completely inadequate for Canada. This latter consideration leads again to the conclusion, on the part of the Canadian Government, that Canada at least should be exempted from any restrictive policy which might be adopted for reason of defence."

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FEBRUARY DEFICIT: Budgetary revenues for February were \$305.1 million or \$46.1 million less than for February, 1954 while expenditures were \$325 million or \$2.8 million less than last year. Consequently, there was a budgetary deficit of \$19.9 million for February, 1955 compared with a surplus last year of \$23.4 million, the Minister of Finance, Mr. Harris, announced in his statement for February.

It should be noted that February revenues last year included the Bank of Canada's 1953 net profits of \$43.9 million whereas the Bank's 1954 profits of \$41.4 million were paid to the Government in January this year.

For the first eleven months of the current fiscal year, budgetary revenues were \$3,669 million, expenditures were \$3,565.8 million and the surplus was \$103.2 million. For the first eleven months of 1953-54, revenues were \$3,876 million, expenditures were \$3,565.1 million and the surplus was \$310.9 million.

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Initial and renewal claims for unemployment insurance benefit received in local offices across Canada in February totalled 236,847, down 73,152 from January's 309,999 but up 21,915 from last year's corresponding total of 214,932.

SR. SELBA'S VISIT: During their visit to Ottawa, on the invitation of the Canadian Government, Sr. Scelba, Prime Minister of Italy, and Sr. Martino, Minister of Foreign Affairs, had frank and friendly conversations with Mr. St. Laurent and Mr. Pearson, as well as with other Ministers, on the widest range of subjects indicative of the warm relations between the two countries.

Officials of the Department of External Affairs also met with members of Sr. Scelba's party for an exchange of views on questions of mutual concern to Italy and Canada, it was stated in a joint communique of March 27.

The partnership of Italy and Canada in the North Atlantic Treaty Organization, which remains the cornerstone of the policies of both countries, was discussed and both sides stressed the continuing need for the closest political co-operation in the defensive alliance. The advantages of Western European co-ordination in many fields of common interest, and its relation to the North Atlantic community were reviewed.

PARIS AGREEMENTS

The status of ratification of the Paris Agreements in the Parliaments of the various countries party to the treaties was reviewed and gratification was expressed at the great progress achieved towards completion of the process of ratification.

The question of East-West relations, both in Europe, where both countries have such deep interests and common responsibilities, and in the Far East, was examined. The Ministers agreed that efforts should be continued to achieve a reduction of tension by seeking solutions to the problems still outstanding. As for the problem of armaments, it was agreed that its solution has to be found in the general limitation of armaments guaranteed by an effective control accepted by all concerned.

While there were no unresolved bilateral problems requiring consideration by the Ministers, the opportunity was taken to assess the situation in the field of migration where both countries have complementary interests; the Ministers expressed their satisfaction with the results achieved to date, and they look forward to the continuation of the policies which have permitted these results. They also discussed in a general way economic and cultural relations between the two countries.

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Nova Scotia has the highest tides in the world, with the extreme range during July and August running from 46 to 90 feet.

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Lake Nipigon in Northwestern Ontario is dotted with more than 2,000 islands.



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

GATT CONFERENCE: "I do not believe that we are going to run into any insuperable difficulties in our agricultural trade with the United States," said the Minister of Trade and Commerce, Mr. C. D. Howe, before the Canadian Club of Montreal on March 21 in commenting on the results of the Geneva conference on the General Agreement On Tariffs And Trade.

The Minister was discussing the waiver granted the United States from its obligations with respect to import restrictions on agricultural products and he pointed out to Canadians that the important thing was not that the United States had been granted a waiver, but "how the United States acts under the waiver."

Mr. Howe's statement on this phase of the GATT deliveries was, in part, as follows:

"I was in Geneva at the time, leading the Canadian Delegation, and I was greatly disturbed by this request, which related to such a large area of our trade with the United States. On my return to Ottawa, my colleagues, Mr. Pearson and Mr. Harris, and I, arranged to visit Washington, our purpose being to urge the Administration to reconsider its request for a waiver. Unfortunately, the Administration felt unable to change its position.

"When the matter came to a vote at Geneva, Canada opposed the granting of the waiver, and so did most of the other countries which sell agricultural produce in substantial quantities to the United States. However, the waiver won

the support of the number of countries required to make it effective.

"This is a regrettable incident in the commercial relations between Canada and the United States, but its importance should not be exaggerated. The fact that the United States has been granted a waiver from its obligations with respect to import restrictions on agricultural products does not mean that the United States is about to impose new and severe restrictions on imports from Canada. Nor does it mean that Canada has been deprived of any of its rights under the GATT to take whatever action would be appropriate if the United States were to embark on such a course.

"I do not believe that we are going to run into any insuperable difficulties in our agricultural trade with the United States. We have taken a sympathetic attitude towards the problems which they face. On their part, the responsible members of the United States Administration are well known to us in the Canadian Government, and I believe they understand our problems.

"Reasonable solutions have been reached in several difficult cases which have arisen in recent years. In 1953, for example, the United States Government discussed with Canada imposition of import restrictions on oats, and in 1954, on barley and rye.

"On the Canadian side, we were, of course, unhappy at the idea of any restrictions being

imposed. At the same time, we understood the necessities of the situation in which our United States friends found themselves. Quotas were finally established which safeguarded our normal trade with the United States. Furthermore, the quotas are temporary and subject to early reconsideration.

"The important thing is not that the United States has been granted a waiver, although in my opinion it would have been better for all concerned, and for the GATT, if the request had never been made. The important thing is how the United States acts under the waiver. It is up to all of us, I suggest, to reserve judgment and to avoid jumping to hasty conclusions.

"For obvious reasons, this United States request for a waiver dominated the recent session of the GATT from the Canadian point of view. In other respects, however, I believe that the essential integrity of the General Agreement was preserved. Earlier hopes that the trade rules would be very much strengthened in the direction of hastening the elimination of quantitative restrictions imposed for balance of payments reasons had to be abandoned, for the most part. On the other hand, there was no weakening, and I am inclined to think that in practice the amendments to the trade rules, while relatively minor, are in the right direction". . . .

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EMPLOYMENT REPORT: In the week ending February 19, the number of persons with jobs was estimated to be 5,012,000, some 42,000 higher than in the corresponding week in 1954. There were an estimated 5,391,000 persons in the labour force, 106,000 more than last year. The number of persons without jobs and seeking work was estimated to be 379,000, up 64,000 over the year, the Department of Labour announced on March 21.

While the number working full time was about 40,000 higher. There were an estimated 79,000 more persons with jobs in the non-farm industries, but 37,000 fewer with jobs on farms than a year earlier.

Although employment usually declines in the winter, the average monthly decline this year was only 71,000 during the past three months as compared with 83,000 last year. The most significant change in employment from last year has been the much smaller seasonal decline in non-farm employment, the monthly average decline for the last three months being 33,000 as compared with 73,000 last year.

The rate of increase in those without jobs and seeking work has been considerably less rapid over the last three months than a year earlier. This has taken place even though the growth of the labour force has been greater than last year.

SMALLER WHEAT ACREAGE: On the basis of their intentions at March 1, Canadian farmers plan a decrease from 1954 of 600,000 acres in the area seeded this year to spring wheat, but substantial increases over last year in the acreages seeded to oats, barley and flaxseed and slight to moderate increases in spring rye, mixed grains and potatoes, the Bureau reports in the second of this year's series of crop reports.

The indicated net increase in these crops will be largely balanced by a prospective decrease of 2,400,000 acres in land for summerfallow in the Prairie Provinces, with reduced acreages seeded to winter wheat and fall rye last autumn providing some of the area for the increased acreage planned for feed grains and flaxseed.

Largest individual shift indicated in use of Canadian crop land this year is the reduction in summerfallow area in the Prairie Provinces from the record level of 25,200,000 acres in 1954. The sharp increase in summerfallow acreage last year, the Bureau's report points out, resulted from farmers' inability to carry out their original seeding plans due to adverse weather conditions, and the indicated decrease this year represents in large part a return to more normal cultivation practices. The prospective summerfallow area of 22,800,000 acres for 1955 is only slightly above that of 1953 and about 1,200,000 acres above that of 1951.

The other major indicated reduction from 1954 is in the area intended to be seeded to spring wheat, which is estimated at slightly less than 23,000,000 acres as against nearly 23,600,000 acres last year. This decrease of 2.6% is due almost entirely to an indicated drop of 840,000 acres in Saskatchewan, which considerably more than offsets increases planned in Manitoba, Alberta and British Columbia.

Combined with the area seeded last fall to winter wheat, the indicated total for all wheat is 23,600,000 acres, a decrease of 2.8% from last year. If realized, this would be the third consecutive annual decrease, the smallest acreage since 1945 and about 10% below the five-year (1949-1953) average of 26.3 million acres.

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CN STEAMSHIPS REPORT: Operating revenues of Canadian National (West Indies) Steamships increased by \$595,740 in 1954, compared with the preceding year, according to the annual report tabled in the House of Commons. The operating loss was reduced from \$822,446 in 1953 to \$319,901 last year.

Total revenues of the line last year were \$5,105,082 compared with \$4,509,342 in 1953. Operating expenses increased \$93,195 from \$5,311,788 in 1953 to \$5,424,983 last year.

CANADIAN TRAVELLERS OUTSPEND VISITORS HERE

DEFICIT \$80,000,000: Expenditures in Canada by travellers from the United States and other countries in 1954 were maintained at a figure close to the peak established in 1953, but for the fourth straight year Canadian travellers spent more in other countries than foreign travellers spent in Canada, the Dominion Bureau of Statistics reported March 15.

The Bureau's first estimates of international travel expenditures in 1954 show that Canadian travellers spent a record \$380,000,000 in other countries, 4% above 1953's \$365,000,000, while visitors to Canada spent \$300,000,000, slightly below the all-time high of \$302,000,000 in 1953. The resulting debit balance on travel account with all countries of \$80,000,000 compares with debits of \$63,000,000 in 1953, \$66,000,000 in 1952, \$6,000,000 in 1951, and credit balances of \$49,000,000 in 1950, \$92,000,000 in 1949 and the peak of \$145,000,000 in 1948.

For the third successive year Canadian travellers last year spent more in the United States than American visitors spent in Canada, the debit balance on travel standing at \$33,000,000 compared with \$25,000,000 in 1953 and \$37,000,000 in 1952. It compares with credit balances of \$12,000,000 in 1951, \$67,000,000 in 1950, \$102,000,000 in 1949, and \$154,000,000 in 1948.

In 1954 Canadian travellers spent a record \$311,000,000 in the United States, slightly above the preceding year's \$307,000,000, while American visitors spent \$278,000,000 in Canada,

down from the record \$282,000,000 in 1953.

Canada's traditional debit balance on travel account with overseas countries last year climbed to a record \$47,000,000 from \$38,000,000 as expenditures by Canadian travellers jumped to \$69,000,000 from \$58,000,000, while expenditures in Canada by visitors from overseas countries increased to \$22,000,000 from \$20,000,000.

The drop in expenditures of travellers from the United States can be traced chiefly to the automobile traffic. On the basis of preliminary data there appears to have been a drop of around \$8,000,000 in this type of traffic when compared with 1953. Aggregate expenditures of the non-automobile traffic continued to increase during 1954 but at a more moderate rate than the trend of the previous two years. The 8% rate of increase in 1952 and 1953 declined to between 3 and 4% to add \$5,000,000 to the expenditures of non-automobile traffic and bring the total to around \$130,000,000. Rail, bus, boat and plane traffic each show an increase in expenditures.

Most of the increase in expenditures by residents of Canada returning from the United States can be traced to automobile traffic. Canadians returning by automobile spent over \$136,000,000 in the United States last year as compared with \$133,000,000 in 1953, an increase of 2%. Compared with an increase of 3% in the number of automobiles returning this would indicate slightly lower average expenditures.

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UNIVERSITY ENROLMENT UP: An estimated 67,500 full-time students were enrolled in universities and colleges across Canada at the start of last December, 3,300 or 5% more than a year earlier, according to the annual report by the Dominion Bureau of Statistics on enrolment in the current academic year. This was the second successive increase after a steady decline from the peak 1947-48 enrolment of about 83,000.

Details provided by universities and colleges accounting for about 97% of the total enrolment in 1954-55 show a total of 51,219 males and 14,146 females. Students in receipt of DVA allowances decreased 580 in 1953-54 to 352 in the current year, and included 287 World War II veterans and 65 Korean veterans. Post-graduate students showed a slight increase to 3,074 from 3,057.

By faculty, there were increases in undergraduate students in agriculture (to 1,215 from 1,161), architecture (to 497 from 495), commerce and business administration, including secretarial science (to 3,690 from 3,384), dentistry (to 862 from 822), education (to 2,603 from 2,501), law (to 2,616 from 2,550),

music (to 256 from 251), nursing (to 1,183 from 1,085), physio and occupational therapy (to 437 from 389), and theology (to 1,490 from 1,288). Figures for arts and engineering and applied science are not strictly comparable owing mainly to inclusion of the military colleges in the current year. Excluding these there were increases of 11.1% in engineering and applied science (from 8,789 in 1953-54) and of 6.5% in arts and pure science (from 25,928).

There were decreases in undergraduate students in forestry (to 440 from 448), household science (to 1,116 from 1,165), journalism (to 66 from 80), library science (to 94 from 124), medicine (to 4,518 from 4,568), pharmacy (to 1,212 from 1,256), physical and health education (to 408 from 441), social service (to 496 from 521), and veterinary science (to 395 from 405). The number enrolled in other faculties increased to 501 from 310.

* * *

Montreal, Canada's 300-year-old metropolis, is the second-largest French-speaking city in the world.

RECORD LABOUR INCOME: Canadian labour income reached an all-time peak total of \$11,910,000,000 in the year 1954, up 2% from 1953's \$11,661,000,000, the Dominion Bureau of Statistics has reported. The December total was \$1,025,000,000 versus \$1,028,000,000 in November and \$988,000,000 in December, 1953. Increases in total wages and salaries in the year ranged from 2% in the primary group of industries and 3% in the distributive industries to 9% in finance and services.

Within the primary group, the totals for agriculture, fishing and mining industries advanced, while that for forestry remained about the same. A 6% to 7% rise in total wages and salaries in public utilities and trade combined with a decline of less than 2% in the total for transportation, storage and communication resulted in a net increase of 3% for the distributive group.

Contract construction and manufacturing were the only two industries which registered losses of some 2 to 3%. Notwithstanding the rather slow start in the first half of 1954 due to unfavourable weather conditions, total wages and salaries for residential building were up 9%. On the other hand, with the completion of the construction stage of several major resource developments, labour income from non-residential construction declined some 10% during 1954. The earnings of Government employees engaged in construction activity are included under Government service in the finance and services group.

The 2% decline in 1954 labour income for all manufacturing resulted from sizeable losses among important component groups, counterbalanced in part by gains in a number of other smaller components. Iron and steel products, transportation equipment and textile products showed losses of 9% to 10%, while clothing and leather products fell from 6% to 7%.

These declines coincided with reductions in expenditures for defence, durable and producers' goods and a switch from accumulation to liquidation of inventories. Gains ranging between 4% and 6% took place in paper products, printing, chemicals, petroleum, coal and non-metallic mineral products.

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1954 CHEQUES \$153 BILLION: Value of cheques cashed in Canadian clearing centres reached new high record levels in 1954, according to the Bureau's annual review. The aggregate value of payments in 52 centres rose to more than \$153,193,000,000, a rise of 8% over the preceding year's \$142,533,000,000.

Debits in four of the five economic areas set new records. Payments in Quebec rose by 12% over the preceding year. Ontario debits advanced by 10% and the Atlantic Provinces and British Columbia showed increases of 8% and 1% in the same comparison. The value of cheques cashed in the Prairie Provinces declined 3.5% as compared with 1953.

CORPORATION PROFITS DOWN: Profits before taxes of Canadian corporations during the third quarter of 1954 were estimated at \$638,000,000 or 4.9% below profits in the corresponding period of 1953, according to the first issue of a new report on corporation profits released March 11 by the Dominion Bureau of Statistics. Cumulative profits before taxes for the first nine months of 1954 declined an estimated \$185,000,000 to \$1,835,000,000 as compared with \$2,020,000,000 in 1953, a decrease of 9.2%.

Both in 1953 and 1954 income taxes for the first nine months were estimated at 46% of profits before taxes. Profits after taxes for the nine months declined from \$1,082,000,000 in 1953 to \$967,000,000 in 1954, a drop of 10.6%. Profits after taxes in the third quarter of 1954 were estimated at \$337,000,000 compared with \$355,000,000 in 1953, down 5.1%.

A comparison of the first nine months of 1954 with the same period of 1953 indicates considerable variation in profits before taxes by industry. The mining, non-metallic mineral and finance groups showed increases in profits before taxes, while all the other groups showed decreases. The largest declines were in the non-ferrous metal group (21.4%), retail trade (22.4%), iron and steel (22.5%), wholesale trade (22.7%) and textiles (48.1%).

A comparison of the third quarter of 1954 with the third quarter of 1953 indicates a strong improvement in profits for non-manufacturing companies, with increases in mining and finance balancing decreases in other non-manufacturing groups.

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CANADA AND WORLD WHEAT: Supplies of wheat remaining on or about February 1 this year in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 2,022,900,000 bushels, almost unchanged from the 2,022,500,000 available a year ago, according to the Bureau's February issue of the Wheat Review.

February 1 supplies of wheat in Canada were down to 586,600,000 bushels from 698,600,000 a year earlier, but were up in the United States to 1,076,200,000 bushels from 995,400,000, Argentina to 169,100,000 bushels from 154,900,000, and Australia to 171,000,000 bushels from 153,600,000.

Total exports of wheat and flour in terms of wheat from the four major exporting countries for the first half of the Canadian crop year, at 373,800,000 bushels, were some 15% greater than the 324,500,000 shipped in the comparable period of 1953-54.

Exports from the United States in the August-January period rose to 127,000,000 bushels from 94,800,000 a year earlier, Argentina to 66,400,000 bushels from 60,800,000 and Australia to 45,300,000 bushels from 30,200,000. Exports from Canada were moderately lower at 135,100,000 bushels versus 138,700,000.

DEW LINE AIRLIFT: A small number of Globemaster C-124 transport aircraft of the USAF Tactical Air Command, headquarters at Langley Air Force Base, Va., are operating out of RCAF Station Edmonton during March, April and May, flying equipment to points in the Canadian Arctic for the Distant Early Warning Line being built there, it was announced March 21, by RCAF Headquarters.

Airlift requirements for support of the DEW Line construction have been determined by the prime contractor, Western Electric. This has been done in consultation with the Department of National Defence, The Department of Transport, and the Air Transport Board, Canada, and with the USAF. Maximum possible use is being made of the capacity of Canadian commercial carriers.

The USAF Globemasters from the 18th Air Force, 63rd Troop Carrier Wing, Donaldson Air Force Base, Greenville, S.C., are augmenting the airlift contracted for with various Canadian commercial flying firms and are ferrying types of equipment to the Arctic which cannot be handled by Canadian commercial operators. The Edmonton-based USAF transports are flying the equipment to certain material assembly points in the Arctic.

OTHER ARCTIC POINTS

Similar airlifts by USAF transport aircraft will be carried out to other DEW Line assembly points in the Arctic during the spring and summer, from Churchill, Man.; and Mont Joli, P.Q.

The DEW Line is an early warning line being built across the most northerly practicable part of North America. While it has been agreed that both Canada and the United States will participate in the project, responsibility for the work of construction and installation has been vested in the U.S.

Overall co-ordination of the project is being effected by a joint project office in New York City, which includes representatives from the USAF, RCAF, Department of Defence Production, and the prime contractor.

Another early warning line, running roughly along the 55th parallel, the Mid-Canada Line, is being built by Canada.

A third line, the jointly operated Pinetree network, is in operation, and is generally located in the more southerly and populous part of Canada.

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BUDGET ON APRIL 5: The Minister of Finance, Mr. Walter E. Harris, announced in the House of Commons on March 22 that he planned to deliver the 1955-56 federal Budget on April 5.

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In five years the gross value of the output of Canada's plastic products industry jumped from \$12,716,000 in 1947 to \$33,585,111 in 1952.

PRIME MINISTER SCELBA'S VISIT: The Department of External Affairs announced on March 22 that His Excellency Mario Scelba, Prime Minister of Italy and President of the Council of Ministers, was to arrive in Montreal on March 24 for a three-day visit to Canada. The Prime Minister is accompanied by Madame Scelba and by the Italian Foreign Minister, His Excellency Gaetano Martino, and Madame Martino and a party of senior officials.

A press conference is being held on March 24. Mr. Scelba will later call upon His Eminence Cardinal Paul-Emile Léger and will be welcomed at City Hall. His Worship Mayor Jean Drapeau will entertain at luncheon for the Prime Minister. Later, Mr. Scelba will receive an honorary doctorate of laws from the University and, prior to departure for Ottawa, will meet the members of the Italian community.

Prior to a press conference in Ottawa, Saturday morning, March 26, Mr. Scelba will pay a courtesy call at Government House. After the press conference, he will call on the Secretary of State for External Affairs in the East Block. At noon, he will arrive at the residence of the Prime Minister of Canada for a call and will remain for a luncheon in his honour.

Mr. Scelba will meet with members of the NATO Parliamentary Committee in the afternoon and will be the guest of honour at a reception at the Italian Embassy later in the afternoon. His Excellency the Governor General will give a dinner at Government House that evening.

The Italian Foreign Minister, Mr. Martino, will give a talk on Saturday afternoon at the University Club to members of the Canadian Institute of International Affairs.

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AROUND AFRICA: The Canadian cruiser Quebec arrived at Villefranche, near Nice in Southern France, on March 21 for a six-day visit.

The Quebec's previous port of call was Alexandria, where her three-day stay was the first official visit by a Canadian ship to Egypt. The cruiser fired a gun salute on entering the harbour and during the visit official calls were exchanged with the Governor of Egypt and government and military officials.

The Quebec's next port of call after leaving Nice will be Barcelona, Spain. The ship is due back in Halifax in mid-April, completing a three month training cruise that has taken her around the continent of Africa.

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A Toronto insurance executive and former divisional commander in the Second World War, Maj.-Gen. A. Bruce Matthews, CBE, DSO, ED, has been appointed Chairman of the Canadian Army Battle Honours Committee for the Second World War.

ACADIAN CELEBRATIONS: The 200th anniversary of an historic tragedy, the expulsion of the Acadians, will be observed in Moncton, N.B., next August, when an expected 15 to 20 thousand descendants of the early French settlers of Acadie meet to celebrate the return and survival of their people, expelled from their homeland in 1755.

Although celebrations will be held in many Acadian villages of the three Maritime Provinces throughout the summer months, the main bicentennial commemorations will officially be inaugurated in Moncton on August 10 by the ringing of all church bells in the city, a prayer of thanksgiving, general merry-making and a colourful illumination of the city and suburbs.

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SEAWAY SHIPPING: European shipping companies have started increased programmes of sailings into the Great Lakes now that the St. Lawrence Seaway is assured.

The new services involving about a dozen ships from the Mediterranean into the Lakes were announced in Montreal this week, bringing the number of new lines designated for the lakes trade within the last month to four.

The two lines were announced as the Niagara Line of Rotterdam and a lakes service operated by Montship Lines and the Capo Line, both to begin operation with the opening of navigation.

The Niagara Line, it was reported, will serve Great Lakes ports, Montreal and Western Mediterranean ports fortnightly, including those in North Africa, Italy, France, Spain and Portugal.

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"ONTARIO" TO HAWAII: The Canadian cruiser HMCS Ontario was to reach the Hawaiian Islands on March 21 for a six-day visit in the area before heading homeward on the last leg of her three-month Australasian training cruise. She is due at Esquimalt, B.C., April 2.

At Suva, in the Fiji Islands, her latest port of call, the Ontario relinquished the sailing trophy won by the ship in 1951 and again last year from the Royal Suva Yacht Club. This time, the island yachtmen compiled 311 points to the Ontario's 276.

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For the fourth year in a row Canadian travellers in 1954 spent more in other countries than foreign travellers spent in Canada - \$380,000,000 as against \$300,000,000.

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The value of cheques cashed in clearing centres across Canada rose 8% last year to \$153,193,000,000 from \$142,533,000,000 in 1953.

DAIRY PRODUCTS CONFERENCE: The present world dairy products position, more particularly as it applies to cheese, was discussed by Mr. William Marshall, Chairman of the New Zealand Dairy Products Marketing Commission; with the Minister of Trade and Commerce, Mr. C. D. Howe, and the Minister of Agriculture, Mr. J. G. Gardiner, together with officials of their respective Departments.

During recent discussions there was a full exchange of views and information on the dairy products position in Canada and New Zealand.

In 1952, when the Canadian cheese industry was adversely affected by dollar restrictions on exports to the United Kingdom, by recently imposed restrictions on exports to the United States, and by effects of the outbreak of foot and mouth disease, New Zealand agreed to withhold further shipments of cheese to Canada for a temporary period. When foot and mouth disease restrictions were removed, and the United Kingdom market was reopened, New Zealand resumed shipments to Canada on a limited basis. About 1,000 tons of cheese have been shipped from New Zealand to Canada since the resumption of this movement.

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HOME BUILDING ACTIVE: Construction was started on one-third more residential units in January than in the corresponding month last year, DBS figures show. At the same time 9% more were completed than a year earlier, leaving 17% more in various stages of construction at the end of the month.

Starts were made on 3,963 units in January versus 2,983 a year earlier and completions stood at 9,037 units versus 8,315. At the end of the month there were 63,525 units under construction versus 54,248.

All provinces shared in the rise in number of starts in January.

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COARSE GRAINS: Primary marketings of oats, barley, rye and flaxseed by farmers in western Canada from the beginning of the current crop year to February 16 amounted to 139,400,000 bushels versus 131,700,000 in the same period of 1953-54 and an average of 135,900,000 for the 10-year period 1943-44 - 1952-53. Deliveries of each of the four grains to February 16, with last year's comparable figures in brackets were as follows: oats, 46,400,000 bushels (57,300,000); barley, 77,800,000 (61,500,000); rye 7,500,000 (6,500,000); and flaxseed, 7,700,000 (6,400,000).

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WHEAT STOCKS: Visible supplies of Canadian wheat on March 2 totalled 343,413,000 bushels, 9% smaller than last year's 366,651,000 bushels, DBS figures show. Deliveries from farms in the Prairie Provinces during the week ending March 2 dropped to 1,526,000 bushels from 3,702,000.



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WEEK'S EVENTS IN REVIEW

CANADA-U.S. RELATIONS: Declaring that it would be "unthinkable" for either Canada or the United States to remain neutral if the other were engaged in a major war "in which its very existence were at stake," the Secretary of State for External Affairs, Mr. L. B. Pearson, outlined before the Canadian Club of Toronto on March 14 what he said was a "tremendous change" in Canadian-American relations and interdependency.

Mr. Pearson recalled that four years ago in addressing the Club he had given his view that the days of relatively easy and automatic relations with the United States were over. The misinterpretations placed upon that particular statement illustrated, he supposed, the perils of trying to put in a few sentences one's view of relations with another country without illustrations to show not only what one meant, "and, perhaps, too, what you don't mean."

"This view," he proceeded, "was, I think, true then, and is still true now; not because our relations are less friendly or close than they used to be; but, on the contrary, because they are closer than ever. . . . We should be more concerned even than before about maintaining and strengthening this friendliness, both because in the dangerous world of today it is more necessary than ever, and because it is bound to be subjected to new situations - new tests."

After urging upon Canadians the importance of recognizing, not only the great burdens

bome by the United States, but also the fact that their governmental mechanism for dealing with them was different from that of Canada, he proceeded, in part:

"We will need to show sound common sense, mature judgment and understanding of our long-term interests to ensure that this new and complex relationship between two North American powers, one of which is the bulwark of the free world, and both of which occupy a continent now vulnerable to devastating attack, will consolidate and strengthen rather than weaken our good neighbourhood."

"This increasing interdependence is not, of course, peculiar to the United States and Canada. It is happening between nations and groups of nations all over the world, and it means a corresponding enlargement in the responsibility of those branches and agencies of Government charged with diplomatic negotiations, and a country's external relations. Canadian-American relations is only one of innumerable examples which illustrate this increasing interaction, this growing dependence of each on all; a dependence greatly increased and speeded up by the most far-reaching technological revolution in human history. . . ."

After touching on the problems of the southern boundary of Canada and the U.S., he went on:

"But how about our other boundary, our last frontier, which is the North? This brings up the question of continental defence, and here,

I can assure you, there are Canadian-American problems aplenty, and they will increase. In this connection it is useful to remind ourselves how things have changed, and are changing, in the field of defence, so far as Canadian-American relations are concerned.

"Twice in this century Canada has been involved in a major war, a life and death struggle, for periods of two years or more before our American neighbours came in. Today, I think that the neutrality of either of us, if the other were engaged in a major war in which its very existence were at stake, would be unthinkable. That is a tremendous change, and one which must affect all our policies and relations with the United States.

"Our position in this regard is something that we should never forget when we say, and correctly, that certain United States commitments, those, for instance, covering help to Chiang Kai-shek in Formosa and certain Chinese coastal islands, have not been accepted by us. But that is not the same thing as saying that they may not involve us. And it is certainly not the same as saying that they do not concern us.

CLEARLY AND FRANKLY

"There is a difference in these matters between legal commitment and political concern. That is why we and other friendly countries at times find it necessary to state our views clearly and frankly, confidentially through Government channels, publicly through Parliamentary and other channels, on matters which in a strict legal sense may not be our concern, but which are most assuredly our concern in every other way. In Canada our co-ordinated and inter-related continental defence arrangements with the United States would alone make such concern inevitable and special.

"One of the new factors in this defence field, and one of growing importance, is that North America itself, and its main centres of population and industry are, for the first time, vulnerable to direct and devastating attack by an enemy. It is, therefore, the course of prudence for us to try to deter such an attack, by building defences - diplomatic and military - against it. In each case, these defences must be collective and co-operative.

"Obviously, continental defences are matters of common effort and concern. On the military side, the resources needed for such things as early warning lines and air defence installations to give the greatest practicable safety to our two peoples, and to maintain the deterrent effect of certain and massive retaliation, may involve substantial economic effort and the stationing of increased forces in Canada; especially air forces. This is a joint United States-Canadian problem - indeed it is also a NATO problem - and can best be solved by joint and agreed action of the two NATO members from this continent.

"That, therefore, is how we are tackling it. But there is nothing easy or automatic about it. It is a difficult and complicated problem. But this does not, of course, mean that Canada would not have still greater problems, indeed insoluble problems, in trying to provide defences in our half of this continent if we did not have the Americans to co-operate with us in the enterprise.

"There are also difficult and complex problems in our economic relations with the United States. What we need to remember here is that it is largely because there is more trade between us than between any other two countries, that there are so many problems. Our object should be not to stop that trade by restrictions but rather to solve the problems.

"That is not easy. With the growth of our own economy and with the increasing variety of our production the points of contact and of competition and friction have multiplied many times over during the past few decades. Our relations have also become much more complex as a result of the growth and the development of both countries. This trend is not regrettable. It is inevitable and desirable. It does mean, however, that economic relations between us will require even closer and more continuous attention and understanding if the progress of both countries is not to be retarded and if friendly relations between us generally are to be strengthened.

NO SPECIAL FAVOURS

"We seek no special favours from the United States for our trade. Quite apart from any political implications a narrow continental approach would not resolve our problems. It would merely ignore most of them and would aggravate many of them.

The fact that we are on the same continent has, of course, a good deal of significance for the commercial policies of both countries. One of its important consequences is, I think, that it reduces the risk that in an emergency essential goods will not be available if their development is encouraged by trade in normal times. This reinforces the case for the greatest and freest possible trade between us. It weakens the strategic and security argument for artificially protecting domestic industries, since there are known to be economic, adequate and secure sources for so many goods and materials nearby. . . .

"No doubt problems will arise in our economic relations in the future and some of them may be of quite a serious character. We shall be best prepared to handle such situations with good sense if we and our neighbours have always in mind that we shall be living together for a long time. We shall live most satisfactorily and with a minimum of friction if we are steadily aware of the growing interdependence between ourselves and within the community of the free world. . . .

"The fortunes of both our countries are interdependent. But the dependence of Canada on the United States is far greater than the reverse. That is a fact which we must accept even if, at times, it makes us feel uncomfortable. . . .

"Canada first may be good policy as well as a good slogan, but there is nothing now to be said for 'Canada only' or 'Canada apart from its friends and allies'. Above all, let us give no countenance to the idea, so sedulously cultivated by the enemies of freedom and the slaves and dupes of Communism, that Canada can live and grow apart from and without the friendliest relations with its great neighbour, which is also the strongest bulwark of our common defence against those aggressive despots which are today the greatest threat to peace.

"In our differences with the United States, we Canadians have to remember two things.

"One, that in any major war we must be on the same side.

"Two, that in any major economic conflict, we would suffer more than they would by a policy of retaliation.

"The moral of this is not that we should be less Canadian; but that we should do everything we possibly can to ensure that Canada's influence and Canada's policy, especially in its relations with the United States, will be directed toward the avoidance of conflict - political and economic. The same, of course, applies to the United States of America.

"Looking back, then, after four years, I am confirmed in my view that the days of relatively easy and automatic relations between our two countries are over.

"But I am also more firmly of the view than ever that these relations are bound to become closer and more important to both countries than ever before.

"To do what it can to ensure that this development will take place in friendship, and in mutual respect and understanding, is the most important problem of Canadian foreign policy today."

* * * *

MR. HOWE TO AUSTRALIA, N.Z.: The Minister of Trade and Commerce and Minister of Defence Production, Mr. C. D. Howe, has accepted invitations from the Governments of Australia and New Zealand to visit their respective countries next April. Mr. Howe will leave Canada on April 8, travelling by Canadian Pacific Airlines from Vancouver to Honolulu, Fiji and Sydney, New South Wales.

Mr. Howe, through whom The Canadian Wheat Board reports to Parliament, will discuss wheat marketing arrangements with the appropriate authorities in Australia, and trade in general with the Australian and New Zealand Ministers concerned. Besides wheat, he will see some-

thing of the sugar, dried fruit, wool, cattle, coal and steel industries, hydro-electric installations and secondary industries in the Commonwealth. He also hopes to meet a number of leading businessmen in both countries.

Mr. Howe will arrive in Christchurch, New Zealand, on April 26, where he will visit woollen mills and railway shops. After a visit to Wellington, where he will be tendered a state luncheon by the New Zealand Government, and a reception by the Associated Chambers of Commerce of New Zealand, Mr. Howe will visit the thermal regions and a new pulp and paper mill. Two days will be spent in Auckland before his departure on May 3 by Canadian Pacific Airlines for Fiji and Honolulu, en route home to Vancouver.

Mr. Howe will be accompanied by Mr. Wm. Frederick Bull, Deputy Minister of Trade and Commerce, who was Canadian Government Trade Commissioner in New Zealand from 1936-1941, and has subsequently visited both Australia and New Zealand in his present capacity.

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MR. DULLES' VISIT: The Secretary of State of the United States of America, the Honourable John Foster Dulles, is spending two days in Ottawa, March 17 to March 19, on an official visit. Mr. Dulles, who arrived in Ottawa at Uplands Airport on March 17, is staying at Government House as the guest of the Governor-General of Canada, Mr. Massey.

During his visit Mr. Dulles is to call on the Prime Minister of Canada and the Secretary of State for External Affairs, attend a joint private meeting in the Parliament Building under the auspices of the Standing Committee on External Affairs, and meet with members of the Cabinet.

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Manufacturers' investment in inventory at the end of 1954 totalled \$3,504,100,000, a decline of 5% from the preceding year's \$3,698,700,000. This followed a 6% increase in 1953 over 1952 and is the largest drop recorded since 1947.

* * * *

Sales of Canada's retail stores topped the \$2 billion mark for the first time in 1953, the \$2,048,228,000 total being over 6% above 1952's \$1,924,873,000.

* * * *

The Province of Saskatchewan has a salt-water inland lake, Little Manitou, which is denser than even the Dead Sea.

MAJOR GAINS IN JANUARY EXPORTS

TO U.S. AND U.K.: Besides major gains in shipments to the United Kingdom and United States, Canada's domestic exports were higher in January than a year earlier to other Commonwealth countries as a group, and to Latin America and Europe, and lower only to the remaining foreign countries as a group, according to the summary of the month's trade by countries and main commodity items released March 14.

Commodity-wise, there were large gains in wood and paper products, non-ferrous metals and chemical products, and lesser gains in non-metallic minerals, agricultural and vegetable products and fibres and textiles that heavily outweighed declines in the iron products, animals and animal products and miscellaneous commodities groups.

Total exports in January were valued at \$310,108,000, up sharply from \$265,374,000 in January last year. All of the increase was in domestic exports, which climbed to \$305,704,-000 compared to \$260,683,000, foreign exports being slightly lower at \$4,404,000 against \$4,-691,000. The volume of domestic exports in January was higher than in any other postwar January.

Biggest dollar increase in domestic exports was in shipments to the United Kingdom, which rose in value in January to \$62,691,000 from the low value of \$37,931,000 a year earlier. Exports to the United Kingdom were larger in value for all commodity groups except the iron

and miscellaneous commodities groups, the major gains being in agricultural and vegetable products, wood and paper and non-ferrous metals groups.

Domestic exports to other Commonwealth countries rose in total to \$16,475,000 compared to \$12,020,000 in January, 1954 as the result of substantial gains to the Africa and Oceania groups and only small decreases to the West Indies and Asia groups. Marked gains were recorded for shipments to Australia, New Zealand and the Union of South Africa, and small gains to India, Ceylon and Jamaica.

Shipments to the United States were valued at \$179,490,000, up from \$157,067,000 last year. The month's gain was spread through all main commodity groups except agricultural and vegetable products and iron and products, with the major increases in wood and paper products, non-ferrous metals and chemicals and allied products.

Domestic exports to European countries moved up to \$25,000,000 compared to \$22,573,000, with increases among the major markets to Belgium and Luxembourg, France, Ireland, Italy, the Netherlands and Switzerland, but decreases to the Federal Republic of Germany and Norway. Sales to Latin America showed a nearly equal dollar increase to \$12,535,000 from \$10,156,-000, the major increases being to Brazil, Colombia, Cuba and Mexico, while sales to Venezuela were down.

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TEXTILE DISCOVERY: Researchers of the Department of National Defence have perfected a new method of processing yarn which increases the strength and durability of textiles five to ten times that of ordinary material.

The new process, regarded as a major development in the manufacture of textiles, is based on a method of twisting fibres into yarn. The yarn is now being produced commercially for military use.

Durability of clothing and the necessity of replacement has always been a major problem for the Department of National Defence.

Colonel H. A. Delcellier of Ottawa, Director of Inter-Service Development, began exploration of the problems of strengthening fabrics several years ago. Dr. J. V. Weinberger of Ottawa, well-known textile consultant, and head of DND's special projects section, was assigned to direct this particular project.

Patent applications covering the new yarn process have been filed in Canada, the United States and Europe in the names of Col. Delcellier and Dr. Weinberger by the Department of National Defence. Numerous licensing applications already have been received from private industry.

Cloth produced by the new method is not confined to any specific raw material. All textile fibres such as cotton, wool and various synthetics can be used. The manufactured fabrics benefit to the same degree in strength and durability regardless of the raw material used. In addition, to these qualities the texture of the fabrics is soft and pleasing.

Important to the textile manufacturer the army announcement said, is the fact that existing equipment can be adapted easily to handle the new process.

The finished fabrics will cost no more than those products of the present standard method.

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Canadian production of both pig iron and steel ingots moved up substantially in February, reaching the highest monthly totals in more than a year. February's output of pig iron amounted to 215,082 tons versus 199,464 in the preceding month and 182,050 a year earlier, and production of steel ingots totalled 314,814 tons versus 310,853 in January and 258,765 in February, 1954.

ALTERNATIVE OF ONE WORLD OR NONE

DR. SOLANDT'S ADDRESS: "It is now obvious that we must seek some form of world organization that will make war impossible," concluded Dr. O.M. Solandt, Chairman, Defence Research Board, in an address to the Canadian Club of Toronto on March 7.

Dr. Solandt traced from its beginnings what he termed the Age of Nuclear Energy, outlined the horrors of possible nuclear warfare with offensive weapons adequate to destroy our whole civilization, and then dealt with the peaceful application of nuclear energy in the replacement of fossil fuels.

Even if nuclear energy should in the future be entirely dependent on uranium as a fuel, he said, "there is already enough uranium known to be available in the world to supply many times the energy that has been derived from fossil fuels."

He then proceeded:

NUCLEAR ENERGY

"In attempting to imagine how the present world scene will look in historical perspective there is a temptation to suggest that divine Providence found it necessary to allow man to discover the secrets of nuclear energy at this time in order to ensure the continued development of our material civilization.

"Unfortunately this discovery necessarily carries with it the possibility of the destruction of our civilization. Man is therefore faced with a dilemma of a magnitude which he never faced before. The whole history of civilization is a history of wars. Man has never solved the problem of living without fighting."

"In the past these wars have wiped out individuals, families, tribes, and even small nations, but the destructive power of the weapons available was never sufficient to destroy the race. We have now reached a stage in history where we can foresee the possibility of having weapons available in the world in numbers capable of destroying our civilization and of rendering large parts or even the whole of the world uninhabitable by man. This means that our attitude toward war must be funda-

mentally changed if we are to ensure survival.

"At present we in the free world are working on the assumption that the Russians wish to dominate the world and that they will seek to dominate it by force should an opportunity offer. We have built up and are maintaining our armed strength, not with the idea of attacking Russia, or even to ensure victory should war be forced upon us but because of our firm conviction that the best way to avoid the disaster of another world war is to be so strong as to deter any aggressor from starting a war.

"It is a pity that we have to devote such a large part of our energies to defence but it is obvious that this is a state vastly to be preferred to war. It is of vital importance that the ordinary citizen should not feel that by cheerfully paying his taxes and allowing a large part of them to be spent on defence he is doing everything that he can to ensure world peace. All that defence expenditure can do is to prevent the disaster of war while other forces in the world work toward a more lasting solution of the problems of living together.

WORLD ORGANIZATION

"It is now obvious that we must seek some form of world organization that will make war impossible. This is not an easy task and will not be accomplished quickly. However, there is no reason to give up hope. History shows that man is gradually solving the problems of living together in larger and larger groups. NATO has been more successful than any previous association of nations in solving the problems of joint defence."

"But although there are grounds for hope there are no grounds for complacency. Even while we are beginning to see the first fruits of nuclear power for peaceful uses stocks of thermonuclear armaments are building up and world tensions are not diminishing. We must hasten to solve our ancient problems of living together if we are to survive. We are now at last faced with the desperate alternative of one world or none."

* * *

TRADE TALKS: Representatives of the Canadian Government and the Government of the Dominican Republic held meetings in Ottawa on March 7 and 8 on the trade relations between the two countries. The meetings were very cordial and provided an opportunity for a full and frank discussion of various aspects of the trade which takes place between Canada and the Dominican Republic, the Department of Trade and Commerce said in a press statement.

The Dominican Republic was represented by Dr. Manuel Resumil Aregunde, Secretary of State

for Trade and Commerce; and Senor Salvador Crtiz, a senior member of the Administration. His Excellency the Ambassador of the Dominican Republic, Rafael Paino Pichardo was present at these meetings. The Canadian representatives were led by Mr. Wm. Frederick Bull, Deputy Minister of Trade and Commerce.

Representatives on both sides indicated the intention of their respective Governments to do everything possible to encourage and promote the further development of mutually advantageous trade.

RECORD SECURITIES TRADE WITH OTHER COUNTRIES

OVER \$1,500 MILLION: Security trading between Canada and other countries reached record volume last year, the turnover exceeding \$1,500 million, more than \$350 million above the previous record established in 1951, according to the Bureau's review of the year's trade in monthly report for last December. Sales to other countries aggregated \$800 million and purchases \$736 million, the balance of trade reflecting an import to Canada of \$64 million of capital.

Last year the United States contributed only \$6 million to the net movement, the United Kingdom accounted for \$23 million, and other overseas countries for a record \$35 million. This sales balance in 1954 followed purchase balances or capital exports both in 1952 and 1953. As in each year since 1950, Canada repurchased Government bonds last year, but sold securities of corporations.

GOVERNMENT BONDS

The repatriation of Government bonds was considerably higher than in 1953 at \$85 million, but there was a marked growth in sales to non-residents of securities of Canadian corporations. These included \$121 million of common and preference stocks, and it was mainly this development which led to the capital import.

The net movement of capital to Canada from all portfolio security transactions in 1954 was much larger than the balance on account of trade in outstanding securities, amounting to

\$160 million. New issues and retirements of Canadian securities led to a net capital inflow of \$126 million, new issues amounting to \$318 million and retirements to \$192 million.

Similar transactions in foreign securities led to an outflow of \$30 million, new issues standing at \$32 million and retirements at \$2 million. More than nine-tenths of the new issues of Canadian securities sold abroad were purchased by United States residents, and bonds and debentures of provinces and municipalities each accounted for about four-tenths.

Trade in outstanding securities between Canada and the United States reached a record volume of \$1,200 million last year, nearly 50% over 1953 and some 10% above the previous record in 1951. As already noted, it resulted in a net sales balance of only \$6 million, as compared to a capital export of \$2 million in 1953.

U.S. INVESTORS

An outstanding development in last year's trading was a marked revival of interest of United States investors in the equity securities of Canadian corporations. This led to net sales of \$85 million of common and preferred stocks compared to \$6 million the previous year.

For the second successive year since 1937 Canada had a sales balance from security trading with the United Kingdom, although the capital import of \$23 million was below the total of \$29 million in 1953.

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FARM WAGES: Annual wages of male farm help as at mid-January this year averaged lower than in 1954, according to the Dominion Bureau of Statistics. With board provided, averaged wages worked out at \$1,010 versus \$1,075 in 1954 and without board at \$1,380 versus \$1,465.

With board provided the average for eastern Canada was \$980 versus \$990 and without board at \$1,385 versus \$1,405. The western Canada average with board was \$1,065 versus \$1,185 and without board at \$1,405 versus \$1,520.

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Operating revenues of Canadian air carriers in November totalled \$7,313,650, a new high for the month and \$120,991 above the November 1953 total of \$7,192,659. At the same time operating expenses fell slightly to \$8,323,329 from \$8,335,791 and the seasonal operating loss was reduced to \$1,009,679 from \$1,143,132.

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Visible supplies of Canadian wheat on February 23 totalled 348,267,000 bushels, a decrease of about 5% from last year's corresponding total of 367,048,000 bushels.

CANSO CAUSEWAY: Cape Breton Island will officially cease to become an island and will be joined to the mainland of Nova Scotia on August 13 next. This is the date when the Canso Causeway will be officially opened, linking the island with the mainland with a narrow strip of man-made land which will carry railway lines, a broad highway, and a pedestrian walk.

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\$12.4 BILLION CHEQUES: Value of cheques cashed in January totalled \$12,453,000,000, 10% higher than in the corresponding month of 1954. Three of the 5 economic regions recorded advances. Debits in Quebec rose over 22%, British Columbia 11% and Ontario 8%. Cheques cashed in the Prairie Provinces were fractionally lower.

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Canada's general wholesale price index rose 0.2% in January to 215.7 from 215.3 in the preceding month but declined 1.9% from last year's corresponding figure of 219.8.



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WEEK'S EVENTS IN REVIEW

ATOMS FOR PEACE: The Department of External Affairs announced on March 8 that the Canadian Government has accepted the invitation of the Secretary-General of the United Nations to participate in the forthcoming International Scientific Conference on the Peaceful Uses of Atomic Energy.

The Conference, which will meet in Geneva from August 8 to August 20, 1955, has been called as a result of a resolution unanimously adopted at the last session of the General Assembly of the United Nations.

The resolution states that the purpose of the Conference will be, "to explore means of developing peaceful uses of atomic energy through international co-operation, and in particular, to study the development of atomic power and to consider other technical areas - such as biology, medicine, radiation protection; and fundamental science - in which international co-operation might most effectively be accomplished".

Canada was a co-sponsor of the resolution and in the debate on it in the General Assembly, the Minister of National Health and Welfare and Acting Chairman of the Canadian Delegation, Mr. Paul Martin, expressed the view that the Conference would provide, "the first occasion to focus world-wide attention on the efforts of countries with the experience in

atomic energy to speed the development of peaceful applications by making freely available the knowledge thus far acquired".

As Mr. Martin revealed at that time, the Canadian contribution to the Conference will consist of a number of scientific papers dealing with Canada's special experience in the peaceful application of atomic energy, particularly in the fields of uranium production and power reactor technology.

Dr. W. B. Lewis, Vice-President, Research and Development, Atomic Energy of Canada Limited, will be responsible for co-ordinating the Canadian contribution to the Conference and has already assisted with the preliminary arrangements for the Conference as Canadian member of a committee set up to advise the Secretary-General of the United Nations. He will be attending the Conference accompanied by a delegation of scientists from both Government and private agencies.

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MR. MENZIES IN CANADA: The Right Honourable Robert Gordon Menzies, C.H., Q.C., M.P., Prime Minister of Australia, arrived in Canada on March 9, for a 5-day visit. Mr. Menzies is spending the first two days of his visit at Government House as a guest of the Governor General of Canada, Mr. Massey.

TRADE DELEGATION: The Minister of Trade and Commerce, Mr. C. D. Howe, announced on March 4 that the Dominican Republic was sending to Canada a trade delegation to discuss commercial relations of mutual concern. The delegation, comprising Dr. Samuel Resumil Aragunde, Secretary of State for Trade and Commerce, and Senor Salvador Ortiz, a senior member of the administration, is due to arrive March 6. His Excellency Rafael Paine Pichardo, Ambassador of the Dominican Republic to Canada, will participate in the discussions.

Mr. Howe indicated that he welcomed the decision of the Dominican Republic to send a trade delegation to Canada, as it will afford him and Government officials an opportunity to continue conversations on trade matters that he enjoyed with General Hector B. Trujillo Molina, President of the Dominican Republic, during his visit to Ciudad Trujillo in February, 1953.

As an important pattern of trade has been developed between Canada and the Dominican Republic, amounting in 1954 to a total of \$6 million, it is hoped that the commercial relations between the two countries can be further expanded through an exchange of information and a discussion of trade possibilities in the future.

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1954 STORE SALES UP: Department stores in all areas except Manitoba and Saskatchewan had bigger dollar sales last year than in 1953 and the national total passed the billion-dollar mark for the second year in a row. Preliminary figures published March 2 by the Dominion Bureau of Statistics place 1954 sales at \$1,065,408,000, some 4% above the revised 1953 total of \$1,024,746,000. Led by a 41% boost in radio and music departments - which include television sets - 23 of the 29 leading departments registered dollar gains over the preceding year.

The 1954 total was strengthened by an increase of nearly 8% in December sales to an estimated \$152,322,000 from \$141,556,000 in the last month of 1953.

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Wheat flour production in the first half of the current crop year amounted to 10,789,407 barrels, 3.5% above the preceding year's first-half total of 10,423,752 barrels. Substantial increases in August and September combined with smaller increases in October and November more than offset decreases in December and January. Wheat flour exports in the half year totalled 4,544,426 barrels, down from 5,107,773 a year earlier.

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Natural gas production in November rose to 11,395,000 M cubic feet from 10,254,000 M and the 11-month total advanced to 107,303,000 M cubic feet from 88,696,000 M.

AMBASSADOR TO PORTUGAL: The Secretary of State for External Affairs, Mr. L. B. Pearson, on March 7, announced that the Hon. W. F. A. Turgeon, P.C., Q.C., Canadian Ambassador to Ireland and Minister to Portugal, will be transferred to Lisbon with the rank of Ambassador. It was announced on February 9 that the Portuguese Government and the Government of Canada had decided to raise to the status of Embassies their Legations in Ottawa and Lisbon.

The Secretary of State for External Affairs also announced the retirement of Mr. Emile Vaillancourt, Canadian Ambassador to Peru. Appointments of successors to Mr. Turgeon as Ambassador to Ireland and to Mr. Vaillancourt will be announced at a later date.

Mr. Turgeon was born at Petit Rocher, N.B.; and is a graduate of the Universities of Laval and New Brunswick. He served as Attorney General for Saskatchewan from 1907 to 1921 when he was appointed to the Court of Appeal of Saskatchewan. In 1938 he became Chief Justice.

Mr. Turgeon has held various diplomatic posts during the last fifteen years. He was successively Minister to Argentina and Chile, Ambassador to Mexico, and Ambassador to Belgium and Minister to Luxembourg. He was appointed High Commissioner to Ireland in 1946 and later Ambassador. In 1952 he assumed the additional function of Canadian Minister to Portugal.

Mr. Turgeon has been Chairman of several Royal Commissions of Enquiry in Canada and has attended numerous international conferences.

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ATOM PLANT TOUR: An insight into the role of chemical engineering in atomic power development was given 75 chemical engineers from private industries and from universities and other research centres when they visited the Chalk River project March 9.

An invitation to tour the project was extended by Atomic Energy of Canada Limited to all delegates to the annual conference of the Chemical Engineering Division of the Chemical Institute of Canada, held in Ottawa March 7 and 8.

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STORE SALES TREND: Despite a new monthly record in December, sales of Canadian retailers last year dipped 1.4% below the 1953 level, totalling an estimated \$11,959,153,000 versus \$12,125,802,000 in the preceding year, DBS reports. December sales amounted to \$1,207,883,000, a 3% increase over the December 1953 value of \$1,172,190,000. November sales were a slight 0.3% over the year earlier level, but October sales were down 7.2% and sales in the January-September period averaged 1.4% lower.

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Canada's index number of farm prices of agricultural products for January stood at 221.2, up 1.3 points from December's 219.9.

REDUCED IMPORT BALANCE IN 1954

FINAL TRADE FIGURES. Final figures on commodity imports and total foreign trade in 1954, released on March 3 show a drop of \$289,600,-000 from 1953 in the value of imports as against a decline of \$225,700,000 in total exports (domestic and foreign), resulting in a reduced import balance of \$146,300,000 as compared to \$210,200,000 in 1953.

Commodity imports were down 6.6% in value last year to \$4,093,200,000 from the record value of \$4,382,800,000 in 1953, but were still above the total values for 1952 and 1951. Domestic exports declined 5.7% in value to \$3,881,300,000 from \$4,117,400,000 in 1953, while foreign exports moved upward to \$65,-600,000 from \$55,200,000.

Average prices of imports were slightly higher in 1954 than in 1953, according to the Bureau's preliminary price index of imports for the year. The decline in the volume of imports was thus slightly greater than the decline in value.

Commodity purchases in 1954 were lower from the United States, United Kingdom and Latin America, but higher from other Commonwealth countries as a group, Europe and the remaining foreign countries taken together. Commodity-wise, the decline was general, affecting most

of the important commodities Canada normally purchases, lower figures being recorded for all except two of the main commodity groups.

Purchases from the United States last year dropped 8.1% to \$2,961,380,000 from \$3,221,-214,000 the previous year, reducing the United States proportion of total imports more than 1% to 72.3%. The decline was centered mainly in commodities of the iron, non-metallic minerals, and miscellaneous commodities groups, imports of agricultural and vegetable products showing an increase and other groups being little changed.

Imports from the United Kingdom fell \$60,-919,000 to \$392,472,000 from \$453,391,000, with decreases in purchases of textiles, iron and steel products, non-ferrous and non-metallic mineral products, partly offset by increases for agricultural and vegetable, chemical and miscellaneous commodities.

In contrast, commodity imports from other Commonwealth countries taken together rose to \$181,759,000 from \$170,571,000.

Purchases from Europe rose to \$179,715,000 from \$173,755,000; the Federal Republic of Germany again leading in size of increase. Imports from Latin America decreased moderately to \$284,406,000 from \$289,967,000.

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RCAF OVERSEAS. Metz, France: --In an unprecedented mass move, carried out mostly by air, the Royal Canadian Air Force is moving Number 1 Fighter Wing from its old base at North Luffenham, England, to its new operational station at Marville, France. When the move is completed, sometime in April, the Canadian Air Division will be completely installed in Continental Europe.

Although the new base at Marville is not quite complete, the administrative staff has already moved in and is preparing it for those who will soon follow. And while the old base is being closed, two of its three squadrons of Sabre jets are operating from other Canadian bases.

In November last year, 410 Squadron, the first Canadian squadron to come overseas under NATO, was first to move again and settled into 4 Fighter Wing at Baden-Soellingen, Germany, to await the completion of its new station. Most of the equipment and the families were moved over by North Star aircraft from the RCAF's 426 Transport Squadron.

Next to dig up roots was 441 Fighter Squadron which is currently the guest of 3 Fighter Wing, Zweibrucken, Germany.

At present, only one squadron, 439, remains at North Luffenham, and it will move directly into Marville when the base is completed.

PIPED OIL RISE. Boosted by a record monthly movement in December, deliveries of oil through Canadian pipe lines in the full year 1954 soared to 172,495,935 barrels from the preceding year's 147,303,771 barrels. December deliveries amounted to 15,925,138 barrels, 10.5% above last year's 14,399,552.

Provincial totals for the year were as follows, 1953 data being in brackets: British Columbia, 14,566,334 barrels (1,540,011); Alberta, 16,452,608 (16,984,749); Saskatchewan, 14,191,691 (14,189,654); Manitoba, 41,519,892 (36,682,639); Ontario, 32,441,988 (24,868,257); and Quebec, 53,323,422 (53,038,461).

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PETROLEUM INCREASE. Canadian production of crude petroleum rose 9% in November and nearly 19% in the January-November period as compared with a year earlier. The month's output amounted to 8,292,000 barrels versus 7,-596,000, bringing the January-November total to 86,426,000 barrels versus 72,821,000.

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Canadian production of both primary lead and silver moved up in the year 1954 from the preceding year but zinc output declined. The year's output of lead amounted to 219,280 tons versus 193,706, silver totalled 30,674,952 fine ounces versus 28,424,795, and zinc amounted to 373,448 tons versus 401,762.

\$12 BILLION OF FOREIGN INVESTMENTS

INCREASE FROM U.S.: The book value of all foreign long-term investments in Canada rose to \$11,422,000,000 in 1953 from \$10,382,000,-000 in 1952, according to figures presented in the quarterly report on the Canadian balance of international payments, and is estimated to be currently of the order of \$12,000,000,000. These figures compare with \$7,092,000,000 in 1945.

New figures show that British investments in Canada by the end of 1953 reached \$2,005,-000,000, up from \$1,884,000,000 a year earlier and an increase of nearly \$400,000,000 from 1946. This increase records not only capital movements to Canada, but also earnings retained in Canada and accruing to the non-resident shareholders. British investment in Canada, of course, is still well below the prewar total.

Investment of other overseas countries showed a sharp rise in 1953 to reach a record value of \$579,000,000, more than double the total at the beginning of World War II. An even larger rate of growth is shown by United States investments in Canada, which are placed at \$8,838,000,000 at the end of 1953, up from \$4,990,000,000 in 1945 and \$4,151,000,000 in 1939.

Investments in Canadian enterprises controlled by non-resident shareholders accounted for \$5,977,000,000 of total 1953 investments. United States direct investment, \$5,180,000,000 of the total, represents more than 85% of all United States investment in Canada.

Direct investments of the United Kingdom

and of other overseas countries are a much smaller part of their total investments in Canada, accounting for less than one-third.

Besides these direct investments, non-residents of all countries owned \$2,085,000,000 Canadian Government and municipal bonds, \$2,-894,000,000 other portfolio investments, and \$466,000,000 miscellaneous investments.

Canadian long-term investments abroad reached a total of \$4,127,000,000 in 1953, or more than double the total of \$2,048,000,000 at the end of 1945. Direct investments in the United States totalled \$1,147,000,000 and portfolio investments \$537,000,000.

Investments in the United Kingdom amounted to \$1,425,000,000, including \$1,292,000,000 of war and postwar loans by the Canadian Government. In other overseas countries there were direct investments of \$256,000,000, portfolio investments of \$276,000,000, and Government loans of \$486,000,000.

Canada's net balance of international indebtedness, which also takes account of official holdings of gold and foreign exchange as well as other international assets and liabilities not covered above, had fallen by 1948 to \$3,700,000,000, but is estimated to be currently approaching again the level of \$6,500,-000,000 recorded 25 years ago.

Viewed in the perspective of the great developments which have occurred in recent years, this balance of indebtedness obviously represents a relatively much lighter burden than in the earlier period.

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CADETS' EUROPEAN CRUISE: Approximately 100 naval cadets from the Canadian Services Colleges and HMCS Venture, the Royal Canadian Navy's junior officer training establishment at Esquimalt, B.C., will leave Canada late in April on board the cruiser Ontario for a four-month training cruise to European waters.

The cruiser, now on a three-month training cruise to Australia and New Zealand with 79 Venture cadets embarked, is scheduled to leave Esquimalt on April 25. She will proceed to Halifax by way of the Panama Canal, arriving on May 16, and sail from Halifax four days later for United Kingdom waters. Later, she will visit ports in northern Europe, before returning to Canada.

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RHINE VALLEY SCHOOL: With "O Canada" ringing over the pines of the Black Forest the first of the Department of National Defence dependents' schools was officially opened on March 4 when the Rhine Valley Park school at the RCAF's 4 Fighter Wing, Baden-Soellingen, Germany, was declared finished and ready for operations.

INDUSTRIAL EMPLOYMENT: Industrial employment in the week of January 1 showed the pronounced curtailment usual at the time of year, and the Bureau's advance index fell 2.7% to 109.1 from 112.1 a month earlier. The shrinkage was slightly below the average for the beginning of January in the postwar period and was also smaller than at January 1, 1954. The index then was fractionally higher at 109.9.

Payrolls distributed by the larger industrial establishments for the holiday week ending on or about January 1 fell 4.4% from December, bringing the payroll index to 149.3. This decline was less than at January 1 last year and the latest payroll index was 2.8% higher, establishing a new maximum for the time of year. The general figure of per capita weekly wages and salaries in the three major industrial groups stood at \$58.55 versus \$59.-59 at December 1 and \$56.56 at January 1, 1954.

* * * *

Weekly wages and salaries in mining in 1953 averaged \$68.70, nearly 78% more than the 1945 average of \$38.61 and almost 2½ times the 1939 average of \$28.69.

1954 INTERNATIONAL TRANSACTIONS DEFICIT

SURPLUS WITH U.K.: Canada's international transactions in goods and services last year led to a deficit of \$427 million as compared to a deficit of \$439 million in 1953, according to preliminary estimates for 1954 contained in the Bureau's quarterly report on the Canadian balance of international payments.

During 1954 the commodity trade balance improved by \$66 million, changing from a deficit of \$57 million to a surplus of \$9 million. But most of this improvement was offset by an increase of \$54 million, from \$382 to \$436 million, in the deficit on other current transactions. This increase was due primarily to larger net payments of interest and dividends in the final quarter. Both in 1953 and 1954 the deficits were 8% of total current receipts.

CURRENT ACCOUNT

While the current account deficits were not greatly different in the two years, the level of transactions was lower in 1954. Current receipts and payments were each reduced by 5%, the former declining to \$5,225 from \$5,512 million and total current payments to \$5,652 from \$5,951 million. A greater decline in the volume of commodity imports than exports offset the effects on the trade balance of a deterioration of some 3% in the terms of trade.

In the first two quarters of 1954 the current account deficits were \$174 million and \$187 million as compared to deficits of \$184 and \$191 million respectively in 1953. Both the balance of trade and of invisibles showed little change in the first half of the year. In the third quarter a small surplus of \$30 million appeared, mainly because of an improved commodity trade balance from the period a year earlier, when there was an overall deficit of \$13 million. This improvement in the commodity trade balance continued into the fourth quarter, but was more than offset by a sharp rise in net payments of interest and dividends. The result was a deficit of \$96 million, which was \$45 million greater than in the same 1953 quarter.

* * * *

WHEAT STOCKS: Visible supplies of Canadian wheat on February 16 totalled 351,950,000 bushels, down about 4% from last year's corresponding total of 368,229,000. Deliveries from farms in the Prairie Provinces during the week dropped to 1,804,000 bushels from 3,789,000 and overseas export clearances fell to 3,105,000 bushels from 3,155,000.

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There were about 24 telephones for every 100 persons in Canada at the end of 1953, twice as many as in 1939.

Except for a small surplus in 1952, Canada has had current account deficits since 1950, the report points out. Their emergence and continuation has been closely related to the rapid increase in consumption, investment, and defence expenditures since 1949.

Toward the end of 1953, and for part of 1954, some components of these demands levelled out or decreased. Particularly notable was the cessation of the previous rapid growth in business inventories. As a result of these changes, a wide variety of imports decreased in 1954, although the volume of imports remained high in comparison with the years before the peak in 1953.

GRAINS AND FLOUR

Exports were subject to more divergent influences, with varied trends in economic activity in different parts of the world, but the recent decline was concentrated in a relatively few products. In this connection, the decline in exports of grains and flour exceeded the decline in total commodity exports.

Estimated travel expenditures by Canadians in other countries increased last year to \$380 million from \$365 million in 1953, while travel expenditures of visitors to Canada from other countries were down slightly to \$300 from \$320 million, raising the deficit on travel account to \$80 from \$63 million. Interest and dividend payments increased to \$443 from \$410 million, while receipts declined to \$136 from \$154 million, the deficit on this account moving up to \$307 from \$246 million. The deficit on freight and shipping, on the other hand, declined to \$35 from \$45 million, with both lower payments and receipts.

The bilateral imbalance of the current account was somewhat reduced in 1954. The deficit with the United States declined by \$106 million to \$818 million, while the surplus with overseas countries fell by \$94 million to \$391 million. On the other hand, the current surplus with the United Kingdom (included in the overseas countries totals) rose from \$142 to \$230 million.

Canadian cows gave an estimated 16,884,-000,000 pounds of milk last year, an increase of nearly 3% over the revised 1953 output total of 16,449,000,000 pounds. Preliminary figures place January production at 945,000,000 pounds, 28,000,000 or 3% more than in January last year.

* * * *

The value of field crops in Saskatchewan in 1953 is estimated at some \$642,900,000 or about 36% of the all-Canada production value of \$1,771,000,000.

GROSS NATIONAL PRODUCT TURNS UPWARD

SINCE MID-1954: Canada's gross national product moved upward in the last half of 1954 and was at a seasonally-adjusted annual rate of \$24.4 billion in the fourth quarter. At the year end production in the non-farm sector was estimated to be running above the previous peak level of the third quarter of 1953, after allowing for seasonal factors.

The figures indicate that, for the year as a whole, the gross national product declined by about 2%, to \$24.0 billion from \$24.4 billion in 1953 and that this decline was largely attributable to the poor grain crop of last fall.

The contraction in industrial activity, which began in the third quarter of 1953, was reversed in mid-1954, as gross national product moved upward in both the third and fourth quarters. The down-turn in non-farm production from mid-1953 to mid-1954 was of comparatively small magnitude, amounting in total to about 2%. The upward movement from mid-1954 to the end of the year appears to have amounted to about 3%.

The decline in industrial output between mid-1953 and mid-1954 was concentrated in the metal-using manufacturing industries, and in the clothing and textile industries. Output in all of the primary industries (except agriculture) was substantially above the previous year, as gains occurred in mining, quarrying and oil wells, forestry, fishing and public utilities. In the service industries, production continued the upward trend of preceding years.

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SHIPS FROM KOREA: The destroyer escorts Huron and Iroquois are due to arrive in Halifax March 19 from tours of duty in the Far East.

The ships, part of Canada's contribution to the United Nations fleet operating off Korea, had served there several months when it was decided to withdraw them under terms of the reduction by two-thirds of the Commonwealth armed forces following the Korean cease-fire.

The remaining destroyer in the Far East is HMCS Sioux.

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WORLD HOCKEY CHAMPIONSHIP: The House of Commons on March 7 joined with its presiding officer, the Speaker, Mr. L. René Beaudoin, in extending congratulations to the Penticton V's for regaining the world amateur hockey championship for Canada. Mr. Beaudoin said also:

"From what I could see on the television screen, all teams who participated in those games are to be congratulated on the true sportsmanship that they have shown."

These gains approximately offset the production declines in the other industries, and total non-farm output for the year 1954 as a whole was not greatly different from the 1953 level.

However, in the farm sector, a major decline in production occurred in 1954, associated with rust and weather conditions in the Western provinces, which sharply reduced the yield and quality of the grain crop. This development, together with the offsetting changes in non-farm output noted above, brought Canada's gross national product for the full year 1954 to a level almost 2% below the preceding year.

Turning to the gross national expenditure, the two most important sustaining forces on the demand side in 1954 were consumer outlays for goods and services and expenditures for new housing construction, which showed gains of 3% and 9%, respectively. With the exception of Government expenditure on goods and services which remained level, all other major expenditure categories declined in 1954 relative to the preceding year; the decline in machinery and equipment amounted to 17%, and in exports to 5%.

During the period of the down-turn in production from mid-1953 to mid-1954, the declines in the seasonally-adjusted expenditure components were particularly sharp, but from mid-1954 to the end of the year all of the expenditure items were rising again, with the exception of outlays for new machinery and equipment.

WILDLIFE CONFERENCES: This week and next Montreal, Que., becomes the wildlife management capital of North America. The first of the series of game conservation meetings to which the city will play host is the 19th Federal-Provincial Wildlife Conference, March 10-11.

This annual meeting, sponsored by the Canadian Wildlife Service of the Department of Northern Affairs and National Resources, brings together Game Commissioners and leading wildlife and conservation officials from every province.

It precedes the North American Wildlife Conference, which meets in Montreal, March 14, to permit game officials of the federal and provincial Governments to take part in meetings which include the North American Wildlife Conference and sessions of the Canadian Conservation Association and the National Wildlife Federation.

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WEEK'S EVENTS IN REVIEW

1955 INVESTMENT RISE: Projected private and public investment outlays for new construction, machinery and equipment in Canada will be approximately 6 per cent greater in 1955 than the expenditure in 1954, according to a report tabled in the House of Commons February 24 by the Minister of Trade and Commerce, Mr. C.D. Howe.

The report, entitled "Private and Public Investment in Canada - Outlook 1955" states that capital expenditures anticipated for 1955 will amount to \$5.8 billion, compared with \$5.5 billion spent in 1954. These estimates are based on a survey of some 16,000 business establishments across Canada and upon surveys of proposed expenditures by Governments, institutions and private house builders.

The additional strength in the 1955 capital expenditure programme is expected to arise from increased activity across a wide range of industries. The mining industry, with emphasis on further development in the petroleum field, is expected to show the most rapid increase, with outlays planned at a rate 24 per cent above those of 1954.

A substantial increase of 19 per cent in institutional building is also anticipated. It is estimated that expenditures for new housing, which reached record heights in 1954, will increase by another 10 per cent in the present year. The large carry-over of uncompleted houses will be an important factor in sustaining activity in this latter field.

Spending by the trade, finance and commercial service groups and by Government Departments is expected to be moderately higher in 1955, while that by utilities and agriculture will likely approximate 1954 levels.

Investment plans of the manufacturing industries provide one of the most encouraging features of the 1955 programme. Although the increase in spending planned by this group of industries is very moderate, it reverses a declining trend in evidence since 1952.

Such industries as non-ferrous metal processing and chemicals, which helped spark the post-Korean rise in manufacturing investment, are, along with the pulp and paper industry, expected to provide the most important contributions to the current increases.

Expenditures for new construction are expected to comprise a larger proportion of the programme in 1955. Total construction spending now planned amounts to \$4,064 million, which represents a 10 per cent increase from the \$3,694 million spent in 1954.

All major categories of construction will likely share in this increase. The value of housing construction has been estimated at \$1,283 million, compared with the \$1,169 million spent for this purpose in 1954. Similarly, expenditures for non-residential building and for engineering construction are both expected to be 10 per cent greater in 1955.

On the other hand, a decline in purchases of machinery and equipment is indicated. Out-

(C.W.B. March 4, 1955)

lays for this purpose are estimated at \$1,-744 million, a decline of 3 per cent from the \$1,804 million spent in 1954.

The fact that capital outlays in 1955 are planned at a rate above those of 1954 suggests that the shortfall in last year's investment intentions was the result of special, shortrun circumstances. During 1954, unfavourable weather conditions, poor grain crops and an increased loss of construction time through strikes hindered the accomplishment of capital expenditure plans.

The increased expenditures expected in the present year indicate that strong expansionary influences continue to underly the Canadian economy. These are presently reinforced by the recent firming of production trends in the United States economy and by other favourable foreign market influences.

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RADIO CONTROLLED DRONES: The Royal Canadian Navy will begin operations with radio-controlled drones for anti-aircraft training with the formation on March 1 of No. 1 Drone Target Unit at HMCS Shearwater, the Naval Air Station at Dartmouth, N.S.

The mobile unit will provide targets for surface-to-air anti-aircraft practice for units of the East Coast fleet, operating under the direction of the Flag Officer Atlantic Coast. The targets will be maintained at HMCS Shearwater and launched, controlled and recovered from a site at Osborne Head, east of the approaches at Halifax Harbour.

The drone targets, Type KD6G-2, have a wing span of 12 feet, and are powered by an 80 H.P. piston engine. Radio-controlled, they can fly at a speed of approximately 200 knots, with an endurance of one and one-half hours.

Each drone is equipped with a parachute, which, when released, automatically stops the engine, allowing the drone to descend. The parachute may be released at any time during flight, and the drone may be recovered and any damaged parts repaired.

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H-BOMB PROBLEMS: The development of thermonuclear weapons, with all their unimaginable potential for destruction, serves only to accentuate the importance of the physician and of health workers generally in civil defence planning. It was emphasized on February 28 by the Minister of National Health and Welfare, Mr. Paul Martin, in a welcoming address to 50 top-ranking industrial physicians attending the first physicians indoctrination course at the Canadian Civil Defence College at Amprior, Ont.

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There are more than 1,700 separate islets in the 50-mile stretch of the St. Lawrence River known as the Thousand Islands.

TRADE CONTINUES UP: Canada's foreign commodity trade in January continued the advance over a year earlier shown in the last two months of 1954, with increases both in exports and imports over January last year and a small export balance as against an import balance, according to preliminary figures released by the Dominion Bureau of Statistics. Most of the exports gain was in trade with the United Kingdom and the United States, and most of the imports rise in purchases from the United States.

Total exports in the month were up \$45,-000,000 or nearly 17% in value to \$310,400,000 from \$165,400,000 in January last year, while commodity imports rose \$26,600,000 or 9.5% to an estimated \$306,800,000 from \$280,200,000. The greater rise in exports than imports resulted in an export balance of \$3,600,000 as against an import balance of \$14,800,000 last year.

SHIPMENTS TO U.S.

Shipments to the United States moved up to \$183,100,000 as compared to \$160,100,000 to bring the month's value close below the high levels of the three years 1951 to 1953. Purchases from the United States, however, increased slightly more to \$228,400,000 against \$202,700,000, bringing an increase in the import surplus with the United States to \$45,-300,000 from \$42,600,000.

Exports to the United Kingdom climbed sharply, as in the two previous months, to \$63,-000,000 from last year's low January figure of \$38,100,000, but imports from the United Kingdom were slightly lower at \$27,500,000 against \$28,300,000. The result was a sharp rise in the export surplus to \$35,500,000 compared to \$9,800,000.

Sales to other Commonwealth countries, generally lower last year, also increased to \$16,700,000 from \$12,100,000, while purchases continued the 1954 trend with an increase to \$11,400,000 from \$9,000,000. Exports to the remaining countries, in contrast with the other gains, fell off in January to \$47,600,000 from \$55,100,000, and imports from these countries - up moderately through 1954, declined slightly to \$39,500,000 from \$39,500,000 from \$40,200,-000.

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In both 1953 and 1952 Canadian vessels carried over 90% of the freight unloaded in the coastwise trade. In addition, 40.2% of the cargo loaded and unloaded in international sea-borne or foreign shipping in 1953 was carried in Canadian bottoms as compared with 40.1% of the total in 1952.

* * * *

Canadian manufacturers sold a record 623,-856 television sets for \$216,451,362 last year as against 366,498 for \$148,753,479 in 1953.

26 PER CENT NOW EMPLOYED IN INDUSTRY

MINISTER'S ANALYSIS: Whereas Canada was formerly looked on as a producer of foodstuffs and raw material, ours is now a manufacturing economy, the Minister of Trade and Commerce, Mr. C. D. Howe, said in addressing the Dalhousie Alumni Association in Halifax, N.S., on February 28.

The Minister reviewed the transition of the Canadian economy, in part, as follows:

"Perhaps you will be interested in having a brief record of Canadian resources expansion, in volume terms, beginning with 1939, up to the end of 1953; agricultural output increased by 40%, reaching a total value of \$3.1 billion, output of our fisheries rose by 48%, reaching a value of \$150 million. Output of our mines increased by 58%, reaching \$1.5 billion, and our output of primary forest products increased by 25% to \$775 million."

LARGE EXPORTER

"As you know, Canada is a country with a population of about 15½ million people, comprising about two-thirds of one percent of the world's population. Still, we produce more newsprint, nickel, asbestos, and platinum than any other nation. Canada is second in the world's output of hydro-electric power, wood pulp, aluminum, gold, zinc, uranium, magnesium and titanium, and third in the production of silver, cadmium, cobalt and sawn lumber. In 1953, Canada was the third most important exporting country in the world, being exceeded only by the United States and Great Britain. . . .

"The value of our exports has been growing steadily, although 1954 experienced a small set-back. However, prospects for 1955 are again promising and I feel sure that the experience of 1954 does not indicate any real set-back in our ability to find markets for that part of Canadian production which is surplus to our own requirements. . . .

"Some of our postwar developments are spectacular indeed. In British Columbia, private enterprise has just built a power development which involved a huge dam built to create a lake on the top of a mountain range, the building of a ten-mile tunnel through rock from the lake down to the seashore, and installation of a hydro-electric power plant in a cavern excavated inside the mountain. This is the largest high head hydro-electric power development undertaken in any part of the world. From the power plant, a transmission line has been brought over another mountain range to the new seaport of Kitimat, where a new city is being built to produce aluminum. This project ranks as one of the great engineering feats of recent years."

"In Northern Quebec, high-grade iron ore was discovered on the boundary of Labrador and some 370 miles from the shores of the St. Lawrence River. To develop this ore, a large harbour development has been built and a new town created at Seven Islands. From that town a high standard railroad has been extended inland to the mine, the whole project involving an expenditure of 250 million dollars. It is expected that 10 million tons of high grade iron ore will be shipped from the new port of Seven Islands each year, with the prospect that eventually, twice this volume of iron ore will be shipped.

"Another spectacular industrial development is the Government's own synthetic rubber plant at Sarnia, Ontario, built during the Second World War when the supply of natural rubber from the Far East was cut off. This is the only synthetic rubber producer in Canada. It supplies about one-half of all the rubber used in Canada, and, in addition, exports more than half its production to customers abroad.

"CHEMICAL VALLEY"

"Since one of the raw materials for this plant is the light ends by-product of oil refineries, and because Polymer provides a market for this and other by-products, the plant has become the centre of the so-called "Chemical Valley" of Ontario. Besides the largest refinery of Imperial Oil, three other large refineries and two other large chemical plants have been built on adjacent properties. "Chemical Valley" today represents an investment of some 500 million dollars, largely created since the Second World War. . . .

"The result of all this has been that, whereas Canada was formerly looked upon as a producer of foodstuffs and raw materials, ours is today a manufacturing economy. Manufacturing industries are now Canada's most important source of employment. In 1939, only 17% of persons working in Canada were employed in industry. The proportion has now risen to 26%. About one-third of Canada's annual income is now earned in our manufacturing industries, or more than twice as much as in agriculture. It may come as a surprise to some of you that these proportions are similar to those prevailing in the United States, the world's most highly industrialized country."

"Canada's manufacturing industries - as distinct from primary industries - now provide jobs for 1.3 million people, and their output in 1953 was close to \$18 billion. Employment in our manufacturing industries has about doubled over the last fifteen years and output has risen about 2½ times in volume terms". . . .

AVOID SEAWAY DUPLICATION: Arrangements to eliminate uneconomical duplication of navigation facilities on the St. Lawrence Seaway have been agreed upon between Canada and the United States.

Details have been set forth in a letter from the Ambassador of the United States, Mr. R. Douglas Stuart, to the Secretary of State for External Affairs, Mr. L. B. Pearson.

The letter, together with text of Mr. Pearson's reply of confirmation, was tabled in the House of Commons on February 28. Mr. Stuart's letter read:

"I refer to conversations which were held recently between yourself, Mr. Howe and Ambassador Heeney and, on our side, Mr. Wilson, Mr. Anderson and myself, on our respective plans for St. Lawrence Seaway construction.

DISCUSSIONS

"In the light of these conversations, and of the exchange of notes of August 1954, we understand that the Canadian Government under present conditions will not construct navigation facilities which by-pass the power dams in the Cornwall-Barnhart Island areas. It is further understood that while the Canadian Government intends to acquire land now in that vicinity to provide such facilities at some future date, such construction will not be initiated until after discussions between the two Governments.

"The United States Government has, as you know, a statutory obligation under Public Law 358, 83d Congress, to construct facilities for 27-foot navigation in the vicinity of Point Rockway, New York, opposite Iroquois, Ontario. However, since the Canadian Government has awarded a contract for construction of facilities for 27-foot navigation at Iroquois, we will seek Congressional action at an appropriate time to be relieved of this statutory obligation for such construction and, thereafter, will not initiate such construction until after discussions between the two Governments."

"Under these arrangements the Canadian canal and lock at Iroquois will be the exclusive means for navigation to by-pass the power project control dam at that point. Similarly, the Long Sault Canal, with two locks near Massena, New York, to be constructed by the United States, will be the exclusive means for navigation to by-pass the dams in the Cornwall-Barnhart Island area.

"These arrangements eliminate uneconomical duplication of navigation facilities for 27-foot or lesser draft on opposite sides of the St. Lawrence River to by-pass the power and control dams in the International Rapids section, and retain the development on a joint basis of this common undertaking of our two

countries, consistent with the principles of St. Lawrence Seaway legislation of both countries.

"I would appreciate your confirming that this letter represents the views expressed in our meetings."

* * *

JANUARY SURPLUS: For January, the federal Government's budgetary revenues totalled \$390.6 million or \$34.5 million more than for January 1954, while expenditures were \$313.1 million or \$4.1 million greater than last year. The surplus for January, 1955 was \$77.5 million compared with \$47.1 million for January last year, the Minister of Finance, Mr. Walter Harris, announced in his January financial report.

It was to be noted, however, the report said, that budgetary revenues for January, 1955 included \$41.4 million representing the payment to the Government of the net profits of the Bank of Canada for 1954. Last year, the Bank's 1953 net profits were paid to the Government in February.

For the first ten months of the current fiscal year, budgetary revenues were \$3,363.8 million, expenditures were \$3,240.7 million and the budgetary surplus was \$123.1 million. For the corresponding period last year, revenues amounted to \$3,524.7 million, expenditures to \$3,237.2 million and the surplus to \$287.5 million.

Operations of the old age security fund, which are not included in budgetary transactions, resulted in a deficit of \$2.9 million for January and a cumulative deficit of \$50.9 million for the period April 1, 1954, to January 31, 1955.

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PRODUCTION INDEX UP: Canada's composite index of industrial production for December stood at 240.0, up about 2% from 235.5 for December, 1953, according to preliminary calculations, making the third successive rise in the index over a year earlier. Over the twelve months of 1954, the index averaged 244.8, down 1.4% from the average for 1953.

Compared with a year earlier, the manufacturing component of the index dropped nearly 2% in December to 243.2. The index of mineral output, on the other hand, advanced by over 17%, and the index of electricity and gas production rose nearly 14% to 282.2.

The index of non-durable manufactures for December stood at 212.7, slightly above the year earlier figure of 210.8. Among the industries of this group, textile production was 17% above December, 1953.

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At last count Canada had 176 warehousing firms with 78,482,436 cubic feet of storage space at their disposal.

SPECIAL AMBASSADOR: The Department of External Affairs announced on February 28 the appointment of Major General the Honourable Léo Richer LaFlèche, Canadian Ambassador to Argentina and Uruguay, as Special Ambassador of Canada to Uruguay for the purpose of representing Canada at ceremonies held in Montevideo on March 1 in honour of the transmission of Powers to the new National Council of Uruguay, headed by His Excellency Don Luis Batlle Berres.

Major General LaFlèche was accompanied by Mr. Fulgence Charpentier, Chargé d'Affaires at Montevideo.

The Ambassador transmitted to President Batlle Berres a message from the Prime Minister of Canada extending congratulations and best wishes to the Government and people of Uruguay.

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NATIONAL LIBRARY BUILDING: Further steps toward the erection of a National Library Building in Ottawa were announced February 24.

The proposed new building is to have a frontage of 300 feet on the north side of Wellington Street, opposite Bay Street. It will extend toward the Ottawa River to a depth of 210 feet.

As presently proposed by the Department of Public Works, the multi-story building will be designed on classical proportions featuring modern treatment of exteriors. It will be of fireproof construction throughout, with concrete structural frame and floors and granite faced exterior walls. A special feature of the ground floor plan will be a large, central, through hall which will permit an unobstructed view at the north end over the Ottawa River and the Gatineau Hills.

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ATOMIC DEFENCE: Announcement was made March 1 by the Department of National Defence, Ottawa, and the U.S. Department of Defence in Washington, of Canadian military participation in the current series of atomic tests known as "Operation Teapot" being conducted at the Atomic Energy Commission, Nevada Test Site.

A small Canadian Army radiological defence group with Royal Canadian Navy and Royal Canadian Air Force components will attend and conduct an exercise in a radioactive area for the purpose of training Canadian personnel.

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Serving and ex-members of The Royal Canadian Regiment at home and abroad last weekend celebrated the Battle of Paardeberg, the first overseas battle ever fought by the Canadian Army.

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The narrowest street in North America is rue Sous-le-Cap (Under the Cape) in Quebec City.

FORMOSA: The Secretary of State for External Affairs, Mr. L. B. Pearson, in the House of Commons, on February 28, stated the viewpoint of the Government with regard to Formosa in reply to a question by Mr. Alistair Stewart, C.C.F. member for Winnipeg North. Question and answer were as follows:

Mr. Stewart: "Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. What commitments does Canada have toward Formosa arising out of membership in the United Nations?"

Mr. Pearson: "Mr. Speaker, the hon. member was good enough to give me notice of his question, which is an important one and somewhat more complicated than it otherwise would be because of the difference of views over the legal status of Formosa. But I am glad to put the viewpoint of the Government on record in regard to this matter, as follows:

"As the United Nations has taken no action regarding Formosa we have no commitments to take any action either. Any general obligations arising out of membership in the United Nations would arise only when the United Nations took some action in accordance with the provisions of the charter and called upon members to give assistance or to co-operate.

HOSTILITIES

"The question of hostilities in the area of certain islands off the coast of the mainland of China is on the agenda of the Security Council. Because of the refusal of the Peking Government to send a representative to the Security Council to discuss this question the Council has deferred discussion pending further examination of the problem through diplomatic channels.

"However, if the Security Council should decide to take some action under Chapter VI relating to the pacific settlement of disputes, and if it should request any United Nations member Government to give assistance by way of good offices or something of that kind, then there would be a moral obligation for us to give that request sympathetic consideration."

"There has been no suggestion that the Security Council should take any action under Chapter VII relating to action with respect to the threats to the peace, breaches of the peace and acts of aggression, and I would hope that before any suggestion of this kind is made every avenue for peaceful settlement of the disturbed situation in the Formosa strait will be fully explored."

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The cadets of Royal Military College, Kingston, Ont.; will travel to West Point, N.Y., for the 24th annual hockey game against the United States Military Academy on March 5.

\$1,138,000,000 FIELD CROPS: Revised data on average prices received by farmers indicate that the gross value of production of Canada's principal field crops in 1953 amounted to almost \$1,800,000,000; some \$100,000,000 above the 1953 preliminary estimate. This total is below the record-breaking levels of \$2,300,-000,000 in 1952 and \$2,100,000,000 in 1951 but compares favourably with total values prior to those two years.

Preliminary estimates, based on average prices received by farmers during the August, 1954 - January, 1955 period and including initial payments only on Western wheat, oats and barley, place the gross value of principal field crops produced on Canadian farms in 1954 at \$1,138,000,000, indicating that the 1954 total will be well below that of 1953. However, additional payments on the 1954 western wheat, oats and barley crops will increase the value over the current estimate.

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RECORD NUMBER OF BIRTHS: Several Canadian vital statistics records were established in 1953. The year saw the highest number of births ever recorded in Canadian history at 416,825, and the birth rate of 28.2 was the second highest in the last 30 years and 7th highest among the major countries of the world. Ontario for the first time had more births than the traditionally highest Province of Quebec.

Despite an ageing population the 1953 death rate of 8.6 was the lowest recorded, only the Netherlands (7.7) and Norway (8.3) among major world countries having a lower rate. Record low infant, neo-natal and maternal mortality rates were also recorded in 1953.

High fertility and low mortality during 1953 gave Canada the 6th highest rate of natural increase (excess of births over deaths) in the world.

POPULATION 15,439,000: Canada started the year 1955 with a population of 15,439,000 up 29,000 from December 1 last year, according to an estimate by the Bureau of Statistics, to provide a first-of-the year figure in addition to the quarterly estimates from the June 1 census date.

This total compares with an estimated 15,-035,000 at January 1 last year, making a gain of 404,000 or at the rate of 2.7% for the twelve months of 1954. Numerically, this was a larger gain than in the two previous calendar years, the increase for 1953 being estimated at 386,000 or 2.6% and for 1952 at 388,000 or 2.7%. Calendar year estimates are not available for earlier years.

The half-year estimates for last year indicate closely equal increases in the two periods, the January-June gain being put at 20,000 and that for July-December at 203,000.

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SASKATCHEWAN BUDGET: The largest budget in the history of the Province of Saskatchewan was placed before the Legislature on March 2. It called for estimated expenditures of \$79,-971,810 and revenues of \$79,992,920.

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Gross value of all sawn and other products of the Ontario lumber industry in 1953 was \$79,573,208, down 4.3% from \$83,158,216 the previous year.

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Output of Canada's fruit and vegetable preparations industry in 1953 was valued at \$205,-119,000, a small decrease from the all-time peak of \$211,788,000 in 1952.

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Sales of Canada's 8,153 retail stores averaged \$261,420 in 1953 as compared with the 1952 average of \$247,859 for 8,047 stores.

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CANADIAN WEEKLY BULLETIN

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WEEK'S EVENTS IN REVIEW

AIRCRAFT WARNING SYSTEMS: "With respect to the invasion of Canadian sovereignty, nothing has been done that does not flow quite naturally and appropriately from the commitments we have made under the North Atlantic Treaty for the common defence of the area envisaged in that Treaty," said the Prime Minister, Mr. St. Laurent, in the House of Commons on February 22, in a statement on the joint enterprise of Canada and the United States in the construction of radar protective screens in the north.

He was answering, in the first instance, a question by Mr. John G. Diefenbaker, Progressive Conservative Member for Prince Albert, Sask., but proceeded also to answer a question by the Leader of the Social Credit group, Mr. Solon E. Low, and also to agree to the printing in the Hansard record of the two joint Canada-United States announcements of September 17 and November 19.

The Prime Minister said:

"May I refer to the question asked on Monday, February 14, by the hon. member for Prince Albert (Mr. Diefenbaker) regarding the contribution by Canada to the distant early warning screen. As I have made clear the provision of this distant early warning system is a jointly conceived Canada-United States project. The joint plan calls for two early warning lines, one north of the settled areas of Canada and known generally as the mid-Canada line, and a second line across the most northerly

practicable part of North America, known generally as the distant early warning line.

"These two lines will supplement the presently operating control and warning line known as the Pinetree line.

"Canada has undertaken to finance, construct and operate the mid-Canada line, and the United States has undertaken responsibility for the construction of the distant early warning line.

"In addition to undertaking the mid-Canada line, Canada will, in respect of the distant early warning line, contribute such resources of the R.C.A.F. and the R.C.N. as can be made available, and will assist the United States in organizing and using other Canadian resources.

"The participation of Canada in the operation of that line is still under consideration, and we will not be in a position to make any decision about that until more is known about the numbers and the technical skills required in connection with that distant line. . . .

Mr. Diefenbaker: "May I ask the Prime Minister a couple of questions arising out of his statement? What would be the total cost of the three radar protective screens? What proportion of that total cost will Canada bear in relation to the United States contribution? In order to remove the idea that some people have, that the joint venture of the United States and Canada may in some way be an invasion of or an impingement on Canada's sovereignty,

what are the terms of the agreement with the United States to assure that there shall not be any invasion of that sovereignty?"

Mr. St. Laurent: "With respect to the first question, it is not possible at this time to state what proportion Canada will be bearing in the joint enterprise that consists of the three warning lines. I can say that, with respect to the Pinetree line, it is approximately one-third. The mid-Canada line is being taken care of in its entirety, both as to cost of construction and the commitment of operation by Canada.

"The other line is one about which no estimates that one could hope would be anything more than a guess could be made. The hon. gentleman knows what the conditions are in the northernmost points at which the line can be established. It is a matter, with respect to costs about which nothing accurate can be determined at the present time. Moreover, it has been discussed between the Chiefs of Staff of United States and our Chiefs of Staff on the basis that for security reasons it would not be desirable to disclose any figures at this time.

LOCATION

"Of course, the location of some of these posts will become known because there are some who travel in those remote parts and there will be physical evidence of what is being done. But it was agreed that there would be no statements made either in Washington or here without prior notice to each other."

"With respect to the invasion of Canadian sovereignty, nothing has been done that does not flow quite naturally and appropriately from the commitments we have made under the North Atlantic Treaty for the common defence of the area envisaged in that treaty. These three lines have been regarded as something essential as part of the build-up of the joint defence, and the allocation of responsibility for certain services has been made under the North Atlantic Treaty Organization, and every other member of the organization is pledged to assist whatever member of the organization is charged with certain responsibilities.

"With respect to the Pinetree line, for example, we did not have, and we have not yet, sufficient qualified personnel to operate the whole of it; but it has been stipulated that progressively, as we do find it possible to replace the United States personnel in those radar stations, it will be our privilege to do so.

"That is the general policy that underlines, according to a declaration that was made quite a long time ago, that anything done on the territory of the other country by Canada or the United States would remain under the control of the authorities of the country where the operation was being carried out."

"It is no longer possible to be isolated from each other. This is something which is

regarded as necessary for the protection of the North American continent and requires to be done as far from vulnerable points as possible, and on the North American continent, from the north, the farthest points are Canadian territory."

Mr. Solon Low asked, "whether serious studies have been made to determine how effective the three warning lines would be against guided missiles travelling at speeds of greater than 1,000 miles per hour."

Mr. St. Laurent: "I would not venture an opinion of my own. The Chiefs of Staff of our two countries have recommended that these warning lines would be worth what they would cost for the security of this continent and incidentally for the building up of the joint strength of NATO forces. That is a matter about which I would not be in position to express any personal opinion. When the hon. gentleman refers to missiles travelling at more than 1,000 miles an hour, that is a lot faster than I can think."

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EMPLOYMENT REPORT: Farm employment throughout Canada during the six-week period ending January 22, 1955, fell a little more than seasonally. Non-farm employment during the same period declined by about the usual amount for this time of the year. The total number of persons with jobs at January 22 was estimated at 4,983,000 which is about the same as the figure a year earlier. Unemployment increased over the period by about the same percentage as last year and continued above year-ago levels.

Employment during January remained higher this year than last in logging, pulp and paper, chemicals, petroleum, mining, trade and services. It declined seasonally in construction and some manufacturing industries, and somewhat more than seasonally in agriculture and in transportation industries.

Employment remained fairly stable in the textile, clothing and steel industries and improved in the vehicles and parts industries as the Ford plants got back into production.

At February 1, 1955, 64 local labour market areas were in the substantial labour surplus category compared with 54 a year before, 44 were in the moderate surplus category compared with 51, and one was in balance compared with four a year earlier.

The civilian labour force totalled 5,345,000 in the week ended January 22, 1955, compared with 5,414,000 in the week ended December 11, 1954.

These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

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Prince Edward Island is called the Kentucky of Canada for the excellence of its harness racing.

MR. SPAAK'S VISIT: The Minister for Foreign Affairs of Belgium, Mr. Paul Henri Spaak, arrived in Canada February 24 for an official visit. During his visit to Ottawa he is the guest of His Excellency the Governor General, Mr. Massey, at Government House.

Mr. Spaak was welcomed on arrival at Dorval Airport February 24 by His Excellency Fernand Muuls, the Belgian Ambassador to Canada, and by Mr. E. D'Arcy McGreer, the Chief of Protocol.

Mr. Spaak addressed a Canadian Club luncheon on February 24 and held a press conference. Afterwards there was a joint reception by the Speaker of the Senate and the Speaker of the House of Commons followed by dinner that evening at Government House.

On February 25 Mr. Spaak was to call on the Secretary of State for External Affairs, Mr. Pearson, and on the Prime Minister of Canada, Mr. St. Laurent. Later he was to address the NATO Parliamentary Committee in the Railway Committee Room of the Parliament Building. That evening there was to be a dinner at the Belgian Embassy.

Mr. Spaak will spend Saturday at Chalk River. In the evening there will be a reception at the Belgian Embassy.

On February 28, Mr. Spaak will be in Montreal and on February 29 he will visit the University of Montreal and McGill University. The International Civil Aviation Organization will entertain in his honour and he will be the guest of the Canadian Institute of International Affairs at dinner at the University Club that evening.

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WRENS IN RCN: Approval has been given for the establishment of Wrens as part of the regular force of the Royal Canadian Navy. Although Wrens were re-introduced in 1951, their service to date has been limited to the Royal Canadian Navy (Reserve).

This is the first time in the history of Her Majesty's navies that Wrens have been totally integrated in the regular force. Other Commonwealth navies have Wrens as an auxiliary service or as a reserve.

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INDUSTRIAL DISPUTES: Three work stoppages arising from industrial disputes in Canada during January accounted for almost 95 per cent of the total time loss, according to a preliminary summary of strikes and lockouts released by the Minister of Labour.

These three work stoppages were responsible for a combined time loss of 26,950 man-working days and involved a total of 9,059 workers. They were: motor vehicle factory and parts depot workers at Windsor, Oakville and Etobicoke, Ontario; linoleum factory workers at Montreal and Farnham, Quebec; and plumbing and heating equipment factory workers at Toronto.

SENIOR ARMY CHANGES: Five senior Canadian Army officers will figure in changes of appointments between now and early May, it was announced February 25.

Brigadier H. W. Love, OBE, CD, now Commander, Northwest Highway System, will be appointed Commander, Saskatchewan Area with headquarters in Regina.

Colonel H. L. Meuser, OBE, CD, now Chief of Staff and Assistant Military Attaché, Canadian Army Staff, Washington, D.C., will be promoted to the rank of brigadier and succeed Brigadier Love as Commander, Northwest Highway System.

Colonel E. C. Mayhew, CD, now Director of Armament Development, Quartermaster General's Branch, at AHQ, will take over Col. Meuser's duties in Washington.

Colonel D. A. G. Waldock, CD, Commanding the Canadian Armament Design and Experimental Establishment at Valcartier, Que., will be appointed Director of Armament Development.

Colonel C. R. Boehm, MBE, CD, Deputy Army Member, Canadian Joint Staff, London, England, will assume command of the Canadian Armament Design and Experimental Establishment at Valcartier.

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POWER OUTPUT RECORD: Production of electric energy by central electric stations in the full year 1954 reached an all-time high of 69,136,584,000 kilowatt hours, 5.6% above the preceding year's 65,489,253,000 kilowatthours. At the same time consumption rose 5.2% to 66,-535,911,000 kilowatt hours from 63,244,022,-000.

All provinces shared in the increased production in the year 1954, Quebec accounting for almost one-half of the national total at 34,732,279,000 kilowatt hours versus 33,950,-224,000. Ontario's output climbed to 20,963,-613,000 kilowatt hours from 19,025,149,000 and British Columbia's to 5,371,338,000 kilowatt hours from 5,225,527,000.

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TV RISE: Producers' sales of TV receivers soared to a new high annual total of 623,856 units in 1954 as compared with 366,498 in the preceding year but sales of radio receiving sets dropped to 487,237 units from 620,860. The value of TV sets sold was \$216,451,362 versus \$148,753,479, and the radio sales were valued at \$35,816,274 versus \$52,119,381.

* * * *

WHEAT SUPPLIES: Visible supplies of Canadian wheat on February 9 totalled 355,241,000 bushels, 4% below last year's 369,820,000 bushels. Deliveries from farms in the Prairie Provinces during the week ending February 9 fell to 3,090,000 bushels from 4,686,000 and overseas export clearances dropped to 1,880,000 bushels from 2,534,000.

SPECIAL AMBASSADOR: The Department of External Affairs announced on February 22 the appointment of Mr. Harry Albert Scott, Canadian Ambassador to Cuba, as Special Ambassador for the inauguration of the President of Cuba, His Excellency General Fulgencio Batista. The ceremonies are taking place in Havana beginning February 24.

In addition to Mr. Scott, the Canadian Special Mission comprises Messrs. G. A. Browne and C. S. Gadd with the ranks of Counsellor and First Secretary respectively. Both these officers are members of the Canadian Embassy in Havana.

The Ambassador will transmit to President Batista a message from Prime Minister St. Laurent extending his congratulations and best wishes to the Government and people of Cuba.

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IRON ORE EXPORT RISE: Shipments of iron ore from Canadian mines in 1954 totalled 7,-338,629 tons, an increase of 12.7% from 6,509,-818 tons in 1953, according to the Bureau's monthly report on iron ore.

The gain in 1954 was in ore shipped for export, which rose over 30% to 6,462,032 tons from 4,899,893 tons in 1953. Ore shipped to Canadian consumers was down more than 45% at 876,597 tons compared to 1,609,925 tons. Ontario shipments were lower in the year, accounting for 2,425,933 tons as against 2,-832,090 tons in 1953, while shipments from other provinces climbed to 4,192,696 from 3,-677,728 tons.

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WHEAT SUPPLIES: Stocks of Canadian wheat in store or in transit in North America on February 2 totalled 356,258,000 bushels, 4% below last year's corresponding total of 369,-642,000 bushels. Deliveries from farms in the Prairie Provinces during the week ending February 2 rose to 3,816,000 bushels from 1,446,-000 but overseas export clearances fell to 2,-931,000 bushels from 3,305,000.

* * *

Mr. George R. Clark, Deputy Minister of Fisheries of Canada, has been appointed by the Government a Canadian Commissioner on the International North Pacific Fisheries Commission, to replace Mr. Stewart Bates, his predecessor as Deputy Minister, who recently became president of Central Mortgage and Housing Corporation.

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Canadian manufacturers produced more jewellery and silverware in 1953 than in the preceding year, according to the Bureau's annual report on the jewellery and silverware industry. Shipments of jewellery from all industries were worth \$20,580,000 in 1953 as against \$18,-522,000 in 1952.

COLOMBO PLAN AID: On January 20 the High Commissioners for Canada in New Delhi and in Karachi formally concluded agreements with the Governments of India and Pakistan respectively for the establishment in both countries of Biological Control Centres as part of Canada's contribution under the Colombo Plan.

This project originated at the Commonwealth Agricultural Bureaux Conference of 1950 at which the Indian and Pakistani delegates requested that consideration be given to the establishment in their countries of biological research stations to develop natural methods of controlling insect pests and weeds. At the request of the Governments of India and Pakistan, Canada arranged for a study of this proposal by Mr. Wendell F. Sellers, Assistant Director of the Commonwealth Institute of Biological Control who visited Pakistan and India in the early part of 1952.

Subsequently Canada agreed to contribute funds necessary for the erection and equipment, and the maintenance during a five-year period, of stations at Bangalore, India, and at Rawalpindi, Pakistan, to cost \$38,340 and \$46,140 respectively. The Governments of the two countries in which the centres will be established are providing the sites and the necessary local services.

The Commonwealth Institute of Biological Control is making available the services of Mr. Sellers for a period of eighteen months these two stations are established and Canada is helping under the Technical Assistance Programme to meet some of the costs in this connection. It is expected that at the end of the eighteen month period Pakistani and Indian officials will be employed as officers in charge of these two stations.

The Commonwealth Institute of Biological Control has at present laboratories in Central Europe, the West Indies and California. The headquarters of the Institute are in Ottawa and it has world-wide connections in the field of entomological research. It is anticipated that the two new stations in Pakistan and India will form valuable links in the existing chain of laboratories administered through the C.I.B. and contribute to world control of insect pests and weeds in addition to making a direct contribution to the biological control problems of India and Pakistan.

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Value of sales of wholesalers in nine lines of trade averaged about 5% higher in December than in the corresponding month last year, while the dollar value of inventories at the end of December was virtually unchanged, according to the Bureau's monthly report.

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Canadian production of organic chemicals was valued at \$61,539,000 in 1953, an increase of \$9,643,000 or nearly 19% over 1952.

AMBASSADOR OF ARGENTINA: His Excellency Dr. Enrique Jose Guillermo Plate on February 17 presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Argentina to Canada.

Mr. Plate was born in 1909. He has held several important posts in his country's public service, including those of Director of Legal Affairs of the Department of Agriculture; Director-Comptroller of Immigration; Member of the International Commission of Neutrality; Deputy Minister of Lands and Forests; Government Minister of the Province of Jujuy; Director of Economic and Social Affairs of the National Agrarian Council; Judge of Labour in the Province of Buenos Aires.

In the educational field, Mr. Plate has been Professor of History and Geography and of Commercial and Administrative Law. He joined the Argentine Foreign Service in 1953 and was appointed Envoy Extraordinary and Minister Plenipotentiary to Sweden, a post which he still held on being appointed to Canada.

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HOSPITAL CAPACITY PEAK: The combined capacity of hospitals of all types in Canada, including mental hospitals and sanatoria, amounted at the end of 1953 to 151,000 beds, enough to accomodate slightly more than 1% of the Canadian population at that time, according to the Bureau's annual report on hospital statistics for 1953, released February 16.

While the continuing addition of new beds brought total bed capacity to the highest figure of any year on record, the increase in 1953 failed to keep pace with Canada's rapid growth in population and the ratio of beds to population declined for the second successive year.

There has been steady and continuous growth in Canadian hospital bed capacity in the 21 years from 1932 to 1953 for which the report presents comparative figures. In this period general hospitals added about 28,000 beds, rising 83% to 62,102; mental hospitals added over 17,000 for an increase of 54% to 49,290; and tuberculosis sanatoria more than doubled in capacity from 7,150 to 15,150 beds.

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NEW HERRING TECHNIQUE: Encouraging herring catches have been reported on preliminary field trials in waters off the coast of British Columbia of a mid-water trawl being developed by the Fisheries Research Board of Canada.

Numerous successful night-sets have been made on schools of herring in the lower Strait of Georgia. Purchase-seining near the surface is the usual method of catching herring. The Pacific Biological Station at Nanaimo, B.C., reported to the Board's Ottawa headquarters that catches of herring ranging from 10 to 30 tons per drag were made in mid-water at depths of from 15 to 20 fathoms.

WORKMEN'S COMPENSATION LAWS: The Minister of Labour announced on February 18 publication of the 1954 edition of "Workmen's Compensation in Canada" which includes recent amendments to Workmen's Compensation Acts in six provinces.

The bulletin, which was prepared by the Legislation Branch of the Federal Labour Department, gives a concise description of the collective liability system of workmen's compensation in effect in all 10 Canadian provinces. In addition, the booklet contains a brief review of the two federal compensation laws, the Government Employees' Compensation Act and the Merchant Seamen Compensation Act as well as the Workmen's Compensation Ordinances of the Yukon and Northwest Territories.

The six provinces which amended their Workmen's Compensation Acts in 1954 were: Quebec, British Columbia, Nova Scotia, Newfoundland, Ontario and Saskatchewan.

HIGHER BENEFITS

The Quebec Workmen's Compensation Act was amended during the 1954-55 session of the Legislature to raise from \$3,000 to \$4,000 the maximum yearly earnings taken into account for compensation purposes and to provide for higher benefits for widows and children. The monthly benefit to a widow was increased to \$55 from \$45. Children's allowances, which are payable to the age of 18, were raised to \$20 a month from \$10, or, where the children are orphans, to \$30 monthly from \$15.

In British Columbia, the rate of compensation for disability was raised to 75 from 70 percent and the maximum annual earnings on which compensation is computed were increased to \$4,000 from \$3,600.

In Ontario, the Workmen's Compensation Board was given authority to spend \$200,000 annually, in place of the former \$100,000, on rehabilitation work.

Amendments to the Workmen's Compensation Act in Nova Scotia brought a number of new industries under the Act, including hotels, restaurants and stores.

* * * *

NEW ESCORT SQUADRON: The Royal Canadian Navy will form a new escort squadron in its Atlantic Command in mid-April. The group, to be designated the First Coastal Escort Squadron, will consist of the Algerine-class coastal escorts Portage and Wallaceburg and the Bangor-class coastal escort Minas, now in reserve at Sydney, N.S.

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Operating revenues of railways which operated in Canada during 1953 amounted to \$1,205,935,000, up 2.9% from \$1,172,159,000 in the preceding year. Operating expenses increased 4.1% to \$1,100,394,000 from \$1,057,-186,000. The result was a lower net operating revenue of \$105,542,000 as compared with \$114,-972,000.

BELIEVES UN WILL FIND FORMULA FOR PEACE

MR. MARTIN'S ADDRESS: The Minister of National Health and Welfare, Mr. Paul Martin, expressed his belief before the Toronto Empire Club on February 24 that, "given intelligence, understanding and forbearance on the part of men of good faith, the United Nations will yet find the formula for lasting peace."

Mr. Martin, who was vice-chairman of the Canadian Delegation to the Ninth Session of the General Assembly of the United Nations, referred to the impending opening of five-nation disarmament talks in London and added:

"There can be no doubt about the urgency of the need for solving the problems that harass the world. Unless they can be solved, the world now divided by argument could be torn to pieces by armed conflict. The choice before us is destruction or the dawning of a better day."

He mentioned the apparent degree of progress made at the United Nations last fall on the separate but related problems of disarmament and the peaceful use of atomic energy, and said:

"Unfortunately, on the past record there is little evidence to suggest that we can look for any basic alteration in the ultimate master plan of the Kremlin, whoever its tenant may be. At the same time, whatever developments may occur elsewhere, there is no change in the basic policy of the Western nations, namely, to work through strength for peace.

"But even as we pursue the objectives of achieving a world climate in which a reduc-

tion in armaments is possible, in the face of the continuing cleavage between the Soviet world and the free nations, we cannot afford to slacken our efforts to build a system of collective security that is strong enough to discourage any thought of easy conquest through ill-advised aggression. We will negotiate for peace. But this we will do from a position of strength such as the Western nations have created in the friendly alliance of the North Atlantic Treaty Organization.

"We hope that, through NATO, we will be strong enough to prevent aggression and wise enough to use that strength only for peace.

"If we want peace in the world, we will have to work for it. And intelligent, patient and painstaking work it must be. Never was there a time when the challenge to human initiative was greater than at present, and never a time when the consequence of failure more terrifying. And so, through the United Nations and other instruments for international co-operation, we must keep up a steady attack on all the tiny roots and sources, the aggravations and misunderstandings that can lead to conflict. . . .

"With all its shortcomings, the United Nations still carries the hopes of humanity for a better life. We must not forget that the United Nations did not create the acute division that now exists between East and West. The division would most certainly exist, and in all likelihood in a more explosive form, if there were no world organization." . . . ,

AMBASSADOR OF ITALY: The Department of External Affairs announced on February 24 that His Excellency Sergio Fenoaltea had presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Italy to Canada. The ceremony took place at Government House.

Mr. Fenoaltea, who was born in Rome in 1908, received the degree of Doctor of Laws from the

University of Rome in 1929. In 1944 he was appointed Under-Secretary of the Presidency of the Council of Ministers of Italy. In the following year, he became a Member of the National Consultative Assembly. He served as Ambassador to China from 1946 to 1950. Before being appointed to Canada, he was Assistant Secretary-General of the North Atlantic Treaty Organization.

Half of the Canadian population resides in the relatively small area between Lake Huron's eastern point and the city of Montreal.

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Arctic grayling, found in Canada's northern waters, like red bait and may be caught at certain times with a cranberry on a hook.

Yoho National Park in British Columbia gets its name from the Indian word meaning "It is wonderful".

* * * *

Cedar Island, largest of the Thousand Islands in the St. Lawrence River, has an area of about 23 acres.



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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

PRIME MINISTERS' CONFERENCE: "While the superiority of the Western world in nuclear weapons is now probably our most important single deterrent against war, nevertheless, we recognize that this is a wasting asset and that peace must ultimately rest on a better and more lasting foundation," said the Prime Minister, Mr. L.S. St. Laurent, in a statement in the House of Commons on February 14 on the Conference of British Commonwealth Prime Ministers in London, from which he and the Secretary of State for External Affairs, Mr. L.B. Pearson, had just returned.

After stating that the meeting "was not called to make decisions on any question," but was intended to be "an opportunity for a full and frank exchange of views about the many events of great importance in the international field....and of course any other matters of common concern which might be raised," Mr. St. Laurent proceeded:

"Though this was not an economic conference, we did have a useful and encouraging exchange of information and views about the development of Commonwealth trade and of world trade. This is summed up in a paragraph of the communique: We all reaffirmed our adherence to a principle - which is the very foundation of Canadian economic policy - that is to say: 'the progressive approach to the widest practicable system of trade and payments,' as the best way of serving our individual and the general interest. We also had very serious discussions of the problems of nuclear energy, and listened

to a most impressive, indeed an unforgettable, statement of Sir Winston Churchill as he painted for us, in majestic and memorable words, the significance of man's discoveries in this field which could mean his total destruction or the unfolding of a future for him beyond our present dreams.

"While the superiority of the western world in nuclear weapons is now probably our most important single deterrent against war, nevertheless, we recognize that this is a wasting asset and that peace must ultimately rest on a better and more lasting foundation. But one thing is sure and we had impressive evidence before us to prove it: a nuclear war would mean global ruin.

"Against this grim conclusion, we contemplated the happier possibility of hope for peace arising out of the very destructive power of the weapons now available. This may, as Sir Winston put it, result in the destruction of war, rather than the destruction of humanity. It is then for us all, as the communique puts it, 'a choice and a challenge.'

"Defence questions generally were discussed in plenary sessions, during which the various Prime Ministers spoke of their own countries' problems in this field and how they were being met. There were also limited meetings on area defence problems, attended by those members of the Conference which had accepted special peacetime commitments in those areas. International tensions, however, and the search for peace and security, dominated our discussions.

"It was accidental, but I think useful, that we met while developments were taking place in the Far East, which caused general anxiety. As these developments occurred, we exchanged views about them in a way which I am sure was very helpful in relation to our individual policies.

"We did not try to draw up a blueprint for collective action which would be made public, but we all have our individual obligations in these matters, and we all have a common concern to avoid conflict; and also, may I add, to avoid disunity and division among the nations that are earnestly seeking peace; and I am convinced we are all doing our utmost toward those ends."

"At the close of our meetings, it was my privilege to express the thanks of all the Prime Ministers to our host, Sir Winston Churchill. He replied with a few moving words about what he called our 'fraternal association', in which he pointed out that this association meant to him, among other things, that each of our Governments should always think of the others every time we had to say or do anything which would affect the others.

FORMOSA.

"I do not propose to disregard that wise advice, but as the principal communique indicates that the developments in the area of Formosa were necessarily of special concern to all the Prime Ministers present, I want to say a special word about our own position on this Formosan question. This position cannot, of course, be either final or inflexible, because the situation itself is changing and the changes that take place are bound to affect our judgment of how our policy should develop.

"But the principles upon which our policy is based and our approach to this problem have already been made known to the House by the Secretary of State for External Affairs (Mr. Pearson) and I want to emphasize that again, in spite of some reports to the contrary, those were not altered during the meeting in London.

"The first objective, on which we are all agreed, is that everything possible should be done to prevent fighting and stop it if it occurs, and then to seek a political settlement by negotiation. But no one thinks this is going to be easy. It will require time and patience and the chances for success are not likely to be improved by hasty or ill-considered declarations, or by conferences for which there has been no proper diplomatic preparation.

"No one in the free world wants war, with all its unimaginable horrors, to develop over this Formosan situation. I am confident that those who are directing policy in Washington and London and other Commonwealth capitals are just as anxious that such a war should be avoided as we are.

"I think we can all take encouragement from the fact that the President of the United States has recognized that the situation is one which requires great care, great patience, and understanding, and that these are the qualities which are governing his policy in this matter.

"I should also like once more to emphasize this: Canada has no commitments regarding collective security in the Far East, and indeed no commitments of any kind in respect of the Formosa area except those which arise out of our membership in the United Nations.

Mr. John G. Diefenbaker, Progressive Conservative member for Prince Albert, asked the following question:

"Among the questions referred to by the press was that there was to be a discussion as to a more equitable distribution in defence efforts. The Prime Minister stated that Canada's emphasis was going to be on continental defence. Would the Prime Minister say something with regard to that, because there would appear to be a complete change of attitude from that indicated in the House of Commons?"

NO CHANGE

--To which Mr. St. Laurent replied:

"I expressed no change of attitude. This Conference was held in camera and there was a lot of speculation by newspapermen about what went on. I was rather surprised to read some of the reports.

"The only statement I made was that Canada was taking a substantial part under the North Atlantic Treaty in building up the land and air defence forces in Europe and that developments in thermonuclear weapons and in the method of delivery had brought home to us the need of providing a warning system on the American continent which for geographical reasons would have to be largely on Canadian territory.

"We felt that it was necessary to have that early warning system as one of the components of the deterrent effect of these weapons so that any potential enemy would realize that even a surprise attack would not make retaliation impossible.

"I added that our part in the establishment of such a system would place a heavy load on the Canadian people; that a large part of the financial burden would be borne by the United States but that Canada must play her part. It was most important that these things done on Canadian soil be a joint operation and be dealt with as such; and that there be nothing that would indicate that it was not something of interest to Canada as well as to the rest of the continent.

"I did say that I felt that both the Canadian and the American people would wish to feel, regarding this essential part of the shield and deterrent against war, that a proper

balance was being maintained between what we were doing in Europe and what was being done on our own continent. As the industrial and productive potential of North America was of such importance in the build-up of the forces of the free world, it was felt that proper attention should be given to everything that was necessary to keep the whole defence setup in its deterrent effect in proper balance.

"I saw some report about my having made a comparison between Canada's defence expenditure and that of New Zealand. But nothing I said anywhere could be a foundation for that kind of report. That was not the atmosphere in which these matters were discussed. No invidious comparisons were made in any quarter.

"With reference to the assertion made that Canada was a wealthy country, I pointed out there were limits beyond which we could not go, and I felt our people would support any Government in carrying what was considered its proper share in building up these joint defences. But I also pointed out that care had to be taken to maintain a proper balance in the manner in which expenditure was made, and that I did not think we were in a position where we could take on additional commitments in regard to these defences.

COMMITMENTS

Mr. Diefenbaker: "I would like to ask one other question. To what degree is Canada making a contribution to the building of the northern screen to which the Prime Minister (Mr. St. Laurent) made reference? I ask that because of the fact that the suggestion has been made that Canada should contribute to a strategic reserve of air-borne troops, and that Australia and New Zealand agreed to give one division to that end for services outside their respective countries. Did the Prime Minister take a stand against that on behalf of Canada?"

Mr. St. Laurent: "I would prefer to read the exact words used by my hon. friend because I do not remember anything that would justify the statement that we took a stand against what was being done by others. I believe we have wider commitments outside our own country, and more air and land forces stationed outside this country, in proportion to population, than any other of the Commonwealth countries except perhaps the United Kingdom itself."

* * * *

Total value of retail sales in Canada, unadjusted for price change, dropped from \$2,735,740,000 in 1930 to \$1,772,937,000 in 1933 and then increased six-fold to \$10,693,097,000 by 1951, according to revised retail sales data covering the period from 1930 to 1951, prepared by the Dominion Bureau of Statistics.

\$500,000 TO UNKRA: The Permanent Representative of Canada to the United Nations announced on February 15 in New York that, subject to parliamentary approval, the Canadian Government would make an additional contribution of \$500,000 to the United Nations Korean Reconstruction Agency (UNKRA).

The announcement was made at a meeting of the United Nations Negotiating Committee for Extra-Budgetary Funds which is entrusted by the General Assembly with the task of collecting funds for United Nations relief and assistance agencies for which no provision is made in the regular budget of the United Nations and its Specialized Agencies.

The Canadian Government has already contributed \$7,250,000 to UNKRA. The Agency was established by the General Assembly in 1950 in order to assist in the restoration and rehabilitation of the Korean economy which was shattered by the war. The prolongation of hostilities, however, prevented the Agency from undertaking large-scale operations until the latter part of 1952.

The Agency's programme is concerned with long-range reconstruction, particularly in the fields of agriculture, education, industry and fisheries.

This programme is an addition to the Emergency Relief Programme which was inaugurated by the United Nations Command shortly after the outbreak of hostilities and which provides immediate relief to the Korean people in the form of food, clothing, medicine and other necessities.

The Canadian Government has contributed Canadian salted cod valued at \$750,000 to the Emergency Programme. Canada's total contribution to Korean relief, if Parliament approves the proposed new allocation, will be \$8,500,000.

* * * *

CONSUL GENERAL AT CHICAGO: The Department of External Affairs and the Department of Trade and Commerce announced on February 16 the transfer of Mr. Frederick H. Palmer, M.C., Consul General in Manila, to Chicago as Consul General. Mr. Palmer is expected to take up his new duties about the end of March.

Mr. Palmer was born in Belfast, Ireland, on June 3, 1892, and was educated in Halifax, Nova Scotia. He graduated from the Nova Scotia Technical College with the degree of B.Sc. in Civil Engineering. He served with the Canadian Army Overseas during World War I and was awarded the Military Cross in September, 1918. Mr. Palmer has been a member of the Foreign Trade Service of the Department of Trade and Commerce since 1921 and has served in New York, Rotterdam, Milan, Oslo, Bristol, Melbourne, Stockholm and Manila. In Stockholm Mr. Palmer served as Chargé d'Affaires and Commercial Counsellor for more than two years. He has been Consul General in Manila since 1949.

CANADA AND WORLD WHEAT: Supplies of wheat remaining on or about January 1 this year in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 2,056,800,000 bushels, less than 1% above the 2,038,900,000 available a year ago, according to the Bureau's January issue of the Wheat Review.

January 1 supplies of wheat in Canada were down to 616,000,000 bushels from 727,700,000 a year earlier, but were up in the United States to 1,092,200,000 bushels from 1,007,100,000, Argentina to 180,200,000 bushels from 146,600,-000, and Australia to 168,400,000 bushels from 157,500,000.

Total exports of wheat and flour in terms of wheat from the four major exporting countries for the first five months of the current Canadian crop year, at 309,400,000 bushels, were some 9% larger than the 284,200,000 bushels shipped in the comparable period of 1953-54.

EXPORTS

Exports from the United States in the August-December period rose to 101,600,000 bushels from 82,800,000 a year earlier and Australia to 37,400,000 bushels from 26,500,000. Exports from Canada fell to 117,200,000 bushels from 121,100,000 and Argentina to 53,200,-000 bushels from 53,800,000.

Total world import requirements for wheat in 1954-55 are expected to be somewhat above the previous season, largely because of the poor quality of the crop in Western Europe, the world's major importing area. Asia, the second most important outlet for the world's wheat exports, reports another large crop. Turkey was an important exporter in 1953-54 but will be on an import basis in 1954-55. France again has a surplus available for export but the supply includes a considerable quantity of low-quality grain.

Present indications point to an increase of at least 5% in the total exports of wheat in 1954-55, thus arresting the downward trend in world exports since the record 1,066,000,000-bushel export in 1951-52. United States exports may reach about 250,000,000 bushels compared with 216,000,000 in 1953-54 and Canadian exports will probably remain near last season's level of 288,000,000 bushels.

* * * *

Canada's manufacturers shipped \$18,432,144 worth of toys and games in 1952, a sharp increase over the 1951 output value of \$16,286,-202. The value of imports increased to \$7,-663,852 from \$6,303,779, while exports fell in value to \$231,376 from \$367,760.

* * * *

Hay fever is unknown in Newfoundland, and no snakes or other reptiles are found on the island.

H-BOMB PROBLEMS: Top-ranking federal civil defence authorities and civil defence chiefs from the provinces met February 15 at the Canadian Civil Defence College in Amprior, Ont. to discuss, among other items, methods of countering the latest and most potent wartime threat, the hydrogen bomb.

The group was addressed by the Minister of National Health and Welfare, Mr. Paul Martin, federal Cabinet Minister responsible for civil defence. Mr. Martin said, "from this time forward, the greatest single controlling factor in civil defence is the hydrogen bomb."

The Minister pointed out that in spite of the tremendous destructive potential of this fearsome weapon, the problems of civil defence were not insuperable. Mr. Martin said that in future, greater emphasis must be placed on the planned evacuation of large cities, traffic control and plans for the reception, feeding and housing of evacuees in reception areas.

The group is discussing the implications of thermonuclear weapons and methods of countering them. In addition to lectures by federal civil defence experts, the effects of the bomb will be discussed by scientists of the Defence Research Board and by meteorological experts from the Department of Transport meteorological service.

* * * *

ENTERTAINERS TO KOREA: A concert party of five Canadian artists will fly to the Far East early next month to entertain Canadian and other Commonwealth troops serving in Korea and Japan.

The troupe of stage, radio and TV personalities from Toronto and Montreal, is known as "The Joe Murphy Show" and will tour the Far East theatre for a period of three weeks. They will arrive in Tokyo on March 4.

* * * *

CRUDE OIL RISE: Crude oil received by Canadian refineries was up 19% in November, 1954 to 14,188,331 barrels from 11,914,348 barrels in November 1953. Receipts from domestic sources accounted for the greater part of the increase with a jump of 30% to 7,995,716 barrels from 6,147,513 a year earlier. Receipts from other countries advanced over 7% to 6,192,615 from 5,766,835 barrels.

* * * *

Shipments of Canada's clocks, watches and watch cases industry increased in value to \$11,035,592 in 1952 from \$10,591,405 in 1951 mainly as a result of a sharp increase in shipments of wrist watches to 315,294 worth \$6,-008,107 from 271,848 valued at \$4,660,853.

* * * *

The Canadian National Railways is the largest transcontinental railway system in North America.

NOVEMBER IMPORTS: Value of Canada's commodity imports rose about 6% in November over the corresponding month of 1953 but the earlier declines left the cumulative total for the January-November period 7% below 1953, according to final figures on the month's imports by the Bureau. Total value for November was \$372,100,000 versus \$351,400,000 a year earlier, bringing the 11-month aggregate to \$3,756,500,000 versus \$4,044,400,000.

The volume of imports rose 6.6% in November but prices were down narrowly. In the 11-month period volume averaged 7.1% below a year earlier but prices were virtually unchanged.

Imports were higher in value from the United States in November but lower in the cumulative period and purchases from the United Kingdom were lower in both periods. Imports were down in value in the month and 11 months from the Latin America group but up from the rest of the Commonwealth, European countries and the remaining group of foreign countries.

In November there were increased values for all main commodity groups except iron and products and non-metallic minerals, the largest dollar gain occurring in agricultural and vegetable products. In the 11-month period only two groups were higher in value - agricultural and vegetable products and wood and paper. Largest decreases occurred in fibres and textiles, iron and products, and non-metallic minerals.

UNITED STATES

November imports from the United States rose to \$273,459,000 from \$244,519,000 in the corresponding month of 1953, gains being recorded in all groups except iron and products and non-metallic minerals. In the 11 months the cumulative value dropped to \$2,718,317,000 from \$2,974,468,000, decreases being common to all groups except agricultural and vegetable products and wood and paper.

General declines among the main groups reduced the value of imports from the United Kingdom in November to \$26,475,000 from \$38,-\$57,000 a year earlier. In the 11-month period increases in the agricultural and vegetable and wood and paper groups were more than counterbalanced by declines in the remaining groups resulting in a cut in total imports to \$358,-\$638,000 from \$415,045,000 a year ago.

Imports from the rest of the Commonwealth rose in November to \$20,256,000 from \$16,818,-\$000 and in the 11 months to \$172,823,000 from \$161,165,000. There were larger purchases both in November and the 11 months from the America, Africa and Oceania groups but smaller imports from the Asia group.

Imports from Latin American countries as a group were down in November to \$22,178,000 from \$24,793,000 and in the 11 months to \$258,-\$38,000 from \$267,485,000.

November imports from European countries increased to \$19,756,000 from \$19,038,000 a year earlier and in the 11 months to \$165,609,-\$160,998,000.

CIVIL DEFENCE STUDIES: Preliminary plans for the first large scale "tactical withdrawal" studies in Canadian cities are now underway, it was announced February 11 in a simultaneous statement released by federal authorities and by provincial and municipal Governments in Alberta and British Columbia. Cities selected for the studies are Calgary and Greater Vancouver.

The studies which will be co-operative projects of provincial, federal and municipal authorities, are designed to ascertain some of the problems that would be faced by cities such as Calgary and Greater Vancouver when evacuating larger groups of people from a threatened area prior to an enemy attack. Planning for the massive projects is not expected to be completed for several months.

Of the four basic plans required to cope with a thermonuclear attack on a city, only two will be studied at this time. The first of these plans involves the evacuation of priority classes such as hospital patients when an emergency situation first arises. The second involves the evacuation of the total population from a target area when an actual attack appears imminent. Both plans will be studied in detail by Provincial Civil Defence co-ordinators at a meeting at the Canadian Civil Defence College, Amprior, Ont.

PLANNING GROUP

Federal civil defence authorities are now employed on a study of the general principles of the two plans. Later a federal planning group will leave for Western Canada where it will work in close collaboration with provincial and municipal civil defence officers on the intricate plans required for the studies.

Among the details that must be worked out before a plan can be completed are the number and suitability of exit routes from the area to be evacuated, vehicles available, police manpower required to direct traffic and to maintain law and order, problems arising from weather conditions, and the feeding and reception of the populations to be evacuated.

Civil Defence officials noted that a number of "planned withdrawals" are being organized in United States cities in the near future and Canadian officials have been invited to observe these exercises and profit by the experience of the American authorities.

* * * *

MR. DULLES TO VISIT OTTAWA: The Department of External Affairs announced on February 14 that the Secretary of State of the United States, the Honourable John Foster Dulles, will visit Ottawa March 17 to March 19. This will be Mr. Dulles' first official visit to the Canadian Capital. Mr. Dulles will be the guest of the Governor General and will stay at Government House. Further details of his visit will be announced in due course.

WAGES AT NEW PEAK: Average weekly wages in Canadian manufacturing industries at the beginning of December climbed to an all-time high figure of \$58.17 from \$58.03 a month earlier and \$57.02 a year ago, according to advance figures. Average hourly earnings rose to 141.2 cents from 140.5 cents at the beginning of November and 138.4 cents at the same time last year. The work-week averaged 41.2 hours, slightly shorter than the 41.3 of a month earlier but unchanged from 1953.

Longer hours in aircraft plants and the release of the lower-paid workers in shipyards and sawmills helped to raise the levels of earnings in the durable manufactured goods category which continued to be affected by industrial disputes.

* * * *

CHAIN STORE SALES UP: Grocery and combination chain stores had a substantial sales gain of 12% in the full year 1954 as compared with 1953. Variety chain sales rose 2.9%, and women's clothing stores 2.2%, but hardware chain sales fell 3.7%, shoe stores 1.7% and drug stores 0.6%.

Sales of grocery and combination stores in the year aggregated \$865,947,000 versus \$773,220,000 in 1953.

* * * *

HARBOUR TONNAGE DOWN: Total cargo tonnage received at and shipped from the eight harbours administered by the National Harbours Board decreased by 4 per cent in 1954, as compared with the previous year, according to figures released by the Transport Minister. The figures were 40,890,000 tons for 1954, as against 42,500,000 tons in 1953. The chief factor in the decrease was a lower volume of grain traffic.

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FOOD COSTS RECEDE: The Consumer Price Index receded 0.2 per cent from 116.6 to 116.4 between December 1 and January 3. The decrease was due entirely to a drop in foods as the index for this series changed from 112.6 to 112.1. Shelter, the only other group to change, advanced from 128.2 to 128.4 reflecting increases in both rent and home-ownership.

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Industries in the leather products group shipped \$222,410,000 worth of products in 1953, a rise of 1.4% from the 1952 value of \$219,201,000.

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Lake Superior, 31,820 square miles in area, is the largest body of fresh water in the world.

CONSUL GENERAL IN NEW ORLEANS: The Department of External Affairs and the Department of Trade and Commerce announced on February 17 that the Consulate in New Orleans has been raised to a Consulate General and that the present Consul and Trade Commissioner, Mr. Gerald A. Newman, has been appointed Consul General.

Mr. Newman was born in Leamington, Ontario, on November 2, 1905, and is a graduate of the University of Manitoba. He has been a member of the Foreign Trade Service of the Department of Trade and Commerce since 1929 and has served in Liverpool, London, New York, Port-of-Spain and Ottawa. He has been Consul and Trade Commissioner in New Orleans since January, 1952.

* * * *

"QUEEN ELIZABETH SCHOLARSHIP": Canadians interested in the field of nursery education will soon have an opportunity to compete for a new scholarship at one of America's pioneer nursery education schools, it was announced on February 16, by the Minister of National Health and Welfare.

Mr. Martin said that the scholarship, entitled the "Queen Elizabeth Scholarship", was offered by the Nursery Training School of Boston, which is affiliated with Tufts College. The offer was made at the time of the Coronation and Her Majesty has graciously accepted on behalf of her Canadian subjects. The scholarship provides for a year's training for one candidate each year at the school.

* * * *

CARIBBEAN CRUISE: Five minesweepers of the Royal Canadian Navy's Atlantic Command will sail from Halifax next month for a seven-week training cruise in the Caribbean area.

They are HMC Ships Gaspe, Ungava, Trinity and Resolute, comprising the First Canadian Minesweeping Squadron, and HMCS Quinte, training tender to the Halifax Naval division, HMCS Scotian.

It will be the first long-range cruise for any of the new minesweepers.

The ships will sail from Halifax, March 11 and return May 1.

* * * *

A study of non-farm family incomes shows that 1.8% were over \$10,000 in 1951, 14.2% were over \$5,000, 23.8% were over \$4,000, 42.4% were over \$3,000, 66.3% were over \$2,000, 84.1% over \$1,000, and 15.9% under \$1,000.

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The Hartland Bridge in New Brunswick is the largest covered bridge in the world, nearly 1,300 feet long.



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WEEK'S EVENTS IN REVIEW

WHEAT LEADS EXPORT DROP: Canada's domestic exports in 1954 had a total value of \$3,876,-134,000, down nearly 6% from the 1953 total of \$4,117,406,000, according to final figures for the year released by the Dominion Bureau of Statistics. About two-fifths of the decrease was due to lower prices, which averaged about 2.4% below the previous year, the volume of exports being about 3.5% lower.

Twelve-month sales were generally lower than in 1953 to Canada's leading markets and to all main areas, but the decline was somewhat less to the United Kingdom and the United States and exports to these two principal markets formed a slightly larger proportion of the total.

Among principal commodities, declines were largely confined to wheat and other grains, motor vehicles, primary iron and steel, aircraft and electrical apparatus, with the drop in wheat and other grains alone exceeding the total trade decrease. Shipments of forest products continued to expand, lumber and wood pulp showing large gains, while newsprint paper reached the greatest value ever recorded for a single commodity at \$635,670,000. Exports of most base metals were larger, fishery products showed a substantial increase, and sales of agricultural implements reversed their 1952-53 decline with a moderate rise.

Domestic exports to the United States last year amounted to \$2,312,803,000, down 4.4% from the record total of \$2,418,915,000 in 1953 but above the value of \$2,306,955,000 for 1952 and also exceeding the totals for all previous years. They accounted for 59.7% of the year's total domestic exports as against just under 59% the previous. There were increases in shipments to the United States of wood, wood products and paper, animals and animal products, but exports in other commodity groups were lower, with the chief decreases in agricultural and vegetable products, non-ferrous metals and iron and products.

Shipments to the United Kingdom declined less than 2% to \$652,694,000 from \$665,232,000 in 1953, the decline being narrowed by a sharp rise in December, and accounted for nearly 17% of all domestic exports against 16% in 1953. Exports of agricultural and vegetable products - the leading commodity group in trade with the United Kingdom - were down sharply to \$227,241,000 from \$305,302,000, but those of all other groups except miscellaneous commodities showed gains, marked increases being recorded for the wood and paper and non-ferrous metals groups.

Domestic exports to other Commonwealth countries as a whole fell to \$195,054,000 from \$232,353,000. This decline was due mainly to

(C.W.B. February 11, 1955)

sharp decreases in sales to India, Pakistan and the Union of South Africa. Shipments increased substantially to Australia and New Zealand, and were slightly higher to the West Indies group.

Continuing the downward trend of 1953 from the 1952 peak, domestic exports to Latin America declined to \$186,661,000 from \$198,-255,000. Shipments were off sharply in value to Peru and Venezuela and up substantially to Brazil, while other gains and losses were of moderate size.

Domestic exports to Europe showed a similar decline to \$350,082,000 from \$383,492,000 in 1953, largest decreases being in shipments to Belgium and Luxembourg, Denmark, Italy, the Netherlands, Spain and Switzerland. Partly offsetting these were increases, among the leading markets, to France, the Federal Republic of Germany, and Norway.

Sales to the remaining foreign countries totalled \$166,199,000 as compared to \$204,-461,000 the previous year. The largest decrease was to Japan, down to \$96,474,000 from \$118,-568,000, but still Canada's third largest market. Other larger decreases were to Egypt and Korea, while increases were recorded for the Philippines and Israel.

GAINS IN 1954

Four of the nine main commodity groups showed gains in value in 1954 over 1953. The wood and paper group increased to \$1,377,841,-000 from \$1,295,396,000. Newsprint paper was up to \$635,670,000 from \$619,033,000, planks and boards climbed to \$324,724,000 from \$282,-103,000, and wood pulp to \$270,905,000 from \$248,675,000.

The non-ferrous metals group rose to \$709,-017,000 from \$682,183,000, aluminum, copper, lead, zinc and their products, and nickel and precious metals (except gold) showing moderate to large gains.

The chemical and allied products group was next in size of gain at \$161,293,000 compared to \$137,885,000 with increases in a varied range of chemical items.

The animals and animal products group also moved up to \$269,861,000 from \$250,919,000.

The agricultural and vegetable products group had the largest decrease among the commodity groups, dropping to \$803,481,000 from \$1,096,763,000. Exports of wheat were down to \$375,339,000 from \$567,907,000 in 1953, other grains to \$136,599,000 from \$224,687,000, and wheat flour to \$88,029,000 from \$102,160,000 for an aggregate decrease exceeding the group decline.

The iron and products group fell to \$290,-068,000 from \$358,438,000, the main decreases being in motor vehicles, ferro-alloys, pigs, ingots, blooms and billets, and rolling-mill products, while increases were registered for iron ore, engines, and boilers, and farm machinery.

INTERNATIONAL RIVERS BILL: On February 4 the Minister of Trade and Commerce, Mr. C.D. Howe, introduced in the House of Commons a bill respecting the construction, operation and maintenance of international river improvements. He explained the measure, in part, as follows:

"The purpose of this bill is to enable the Canadian Government to ensure that the construction, operation and maintenance of international river improvements are carried out in an orderly manner and in the national interest.

"By international river improvements I mean any works which alter the natural flow of waters going from Canada to the United States, and which also affect the actual or potential use of such water outside Canada.

COLUMBIA RIVER

"The provisions of this bill therefore relate to such international rivers as the Columbia and the Milk River, which cross the international boundary. They are not intended to apply to such boundary waters as the Great Lakes or the St. Lawrence River, or to rivers crossing provincial boundaries as, for example, the Ottawa or the Saskatchewan..."

"It is the prime purpose of this international rivers bill to ensure that the long term national interest is safeguarded and is not prejudiced by development planned to serve immediate local purposes that may be inconsistent with the longer view. This legislation when enacted will enable the Government to control, by licensing, the construction, operation and maintenance of works in Canada that affect international rivers.

"The purpose will be to ensure the most advantageous development of a water system, taking into account alternative development opportunities that may exist now, or that may open up in the future. Control will also be exercised over projects within Canada which have as a prime objective the creation of energy or other benefits outside of Canada..."

* * * *

LISBON, OTTAWA EMBASSIES: The Department of External Affairs announced on February 9 that the Portuguese Government and the Government of Canada, considering the importance of their reciprocal interests and the close relations existing between the two countries, have decided to raise to the status of Embassies their Legations in Lisbon and in Ottawa.

The appointment of Ambassadors will be announced at a later date.

* * * *

Canada's Pacific coast line is 7,180 miles long.

* * * *

Montreal is the world's largest inland port.

LABOUR INCOME UP: Canadian workers earned \$1,028,000,000 in November, \$8,000,000 less than in the preceding month but \$32,000,000 or over 3% more than in November 1953, according to the Bureau's monthly estimate of labour income. This put total labour income for the first 11 months of 1954 at \$10,885,000,000, a 2% increase over the 1953 January-November total of \$10,673,000,000.

Compared with a year earlier November payrolls were higher in all industrial groups except manufacturing, but compared with the preceding month the finance and services group showed the only increase. Wages and salaries in agriculture, forestry, fishing, trapping and mining totalled \$83,000,000 in November as against \$86,000,000 in October and \$77,000,000 in November 1953. In manufacturing the November total was \$321,000,000 which compared with \$323,000,000 in October and \$328,000,000 in November 1953.

The construction payroll amounted to \$77,000,000 in November as against \$82,000,000 in the preceding month and \$76,000,000 a year earlier.

Eleven-month totals show earnings below the 1953 level only in manufacturing and construction.

* * * *

AUTO PRODUCTION DROP: Production of motor vehicles in January this year totalled 28,993 units, according to preliminary figures released by the Dominion Bureau of Statistics. This was a drop of 28% from last year's corresponding total of 40,215 units. The month's output of passenger cars was cut to 25,602 units from 32,278 and commercial vehicles to 3,391 units from 7,937.

Revised figures published in the Bureau's December report on motor vehicle shipments place last year's production of motor vehicles at 350,152 vehicles as compared with 484,594 in 1953. Output included 282,038 passenger cars as against 364,039 in the preceding year, and 68,114 commercial vehicles as against 120,555.

* * * *

Chemicals made in Canada for sale were valued at \$255,582,000 in 1953 as against \$230,050,000 in 1952, the Dominion Bureau of Statistics reports. Output of the acids, alkalies and salts industry was worth \$127,299,-437, an increase of 11.5% over the 1952 production value of \$114,187,526.

* * * *

Wholesale prices registered an intermittent decline over the year 1954, and the Bureau's general index was up 0.2% in December to 215.3 from November's 214.8 but down 1.7% from 219.0 in December 1953. Increases in 5 of the 8 major groups were responsible for the rise over November.

CHAPELS IN GERMANY: The first of four new Protestant chapels for the 1st Canadian Infantry Brigade was officially dedicated at Fort Chambly, Germany, on February 6 by Col. J.W. Forth, MBE, CD, Director of Protestant Chaplain Services for the Canadian Army.

Highlight of the ceremony was the presentation of a silver collection tray for the chapel by Dr. Wilm, leader of three million Protestants in Westphalia. Dr. Wilm spoke of the goodwill between Canadian and German Christians.

The lesson was read by Maj.-Gen. J.M. Rockingham, General Officer commanding the 1st Canadian Infantry Division.

Eventually all chapels will be returned to the West German Government.

* * * *

CHAMPION TRAIN BUSTER: Commander John H. G. Bovey, DSC, CD, RCN, 38, of Montreal and Ottawa, has been awarded the United States Decoration of the Bronze Star Medal, with Combat Distinguishing Device.

The award was made in recognition of Cmdr. Bovey's services while in command of HMCS Crusader (destroyer) in the Korean war theatre during the time the ship became known as the "champion train buster of the United Nations Fleet". Her record, four and two half-trains, was unsurpassed throughout hostilities in that battle zone.

Cmdr. Bovey previously was awarded the Distinguished Service Cross for his Korean exploits.

* * * *

TROOP TRAINING: More than 10,000 soldiers from all parts of Canada will concentrate for six weeks of intensive training this summer at Camp Gagetown, N.B., it was announced February 9 at Army Headquarters.

The troops, most of them from units of the 1st Canadian Infantry Division, will begin arriving at the 427-square-mile training site about mid-June. All units will be encamped by the first week of July when manoeuvres are scheduled to start.

* * * *

CIVIL DEFENCE: Agreement has been reached between the federal Government and the Province of Ontario on a co-operative civil defence programme for 1955, it was announced February 9. Under the formula now agreed upon, federal and provincial financial aid in civil defence will be made available to municipal civil defence organizations.

* * * *

Maj.-Gen. John M. Rockingham renewed acquaintances over last weekend with troops he led through the early days of the Korean campaign when he visited elements of the 1st Canadian Infantry Brigade in Germany.

THRONE SPEECH DEBATE ENDS: The House of Commons, on February 4, defeated by a vote of 99 to 69 the Progressive Conservative amendment moved at the beginning of the debate on the Address in Reply to the Speech from the Throne. The main motion for the adoption of the Address was then carried on division.

The C.C.F. and Social Credit groups, with one independent member, voted with the Progressive Conservatives for the six-point amendment which would have had the House declare that the Government had failed to retain and expand Canada's overseas markets, solve unemployment, relieve taxpayers from excessive taxation, eliminate waste and extravagance in the Government, encourage the processing of natural resources and co-operate with the provinces in developing a national health insurance plan.

In earlier debate Social Credit and C.C.F. amendments critical of the Government had been defeated.

* * * *

TO STUDY BBC WORKINGS: Mr. John Dunn, Assistant to the Director of Network Co-ordination for the CBC, has been awarded the Imperial Relations Trust Bursary for 1955, the CBC announced February 4.

The bursary will enable Mr. Dunn to study the operations and see the establishments of the BBC in England, Scotland and Northern Ireland. He will also visit various broadcasting organizations on the Continent. He sails for the United Kingdom February 8.

The bursary is awarded yearly to a person in the CBC active in broadcasting, and stems from an anonymous gift in 1937 to Lord Baldwin of Bewdley to endow any object best calculated to strengthen the ties that bind together the countries of the Commonwealth.

* * * *

DISTINGUISHED VISITORS: The Department of External Affairs has announced that Prime Ministers Robert Menzies of Australia and Mario Scelba of Italy will visit Ottawa in March and that General Paul Eugene Magloire, President of Haiti, and Mrs. Magloire will visit Ottawa, Montreal and Quebec this month, as well as Mr. Paul Henri Spaak, Belgian Foreign Minister.

Gen. and Mrs. Magloire will be here February 9-14, Mr. Spaak February 24 to March 2, Mr. Menzies March 9-14, and Mr. Scelba March 26-27.

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The fresh-water surface of Canada constitutes over six per cent of the country's total area.

* * * *

The people of Newfoundland live in 1,300 communities, scattered along the island's picturesque 6,000-mile coastline.

SEAWAY OUTLOOK: Canadian ship operators on the Great Lakes "will find greater opportunities" when the St. Lawrence Seaway is completed with an increase in the bulk trade more than offsetting any loss in other business to foreign competitors. Likewise, Canadian shipyards on the Lakes will find that "the Seaway will bring more business in repairs and maintenance than it takes away in vessel construction."

These views were expressed by Mr. G. G. McLeod, Department of Transport economist, in addressing members of the Marine Club of Toronto at their annual meeting. He emphasized that these were his own personal opinions.

With respect to foreign competition on the Great Lakes, Mr. McLeod expressed the view that "specialized lake carriers have an advantage of their own in that they can carry twice or perhaps three times the load of an ocean vessel of the same draft." This advantage would, he thought, more than offset the cheaper constructing and operating costs of foreign ships.

He thought that "foreign vessels may get a good bit though not all of the package freight and general cargo trade, but only a small portion of the bulk trade."

* * * *

SEA HARVEST UP 10 P.C.: Canadian sea-fishermen landed 10% more fish in 1954 than in the preceding year and the value of the catch rose 8%. The year's landings weighed 1,900,512,000 pounds valued at \$82,762,000 as compared with 1,733,743,000 pounds valued at \$76,347,000 in 1953. December landings amounted to 119,050,-000 pounds worth \$4,321,000, up 1% in volume and 6% in value over the same month of 1953.

West-coast landings in 1954 rose to 592,-640,000 pounds from 542,521,000 and the value to \$33,598,000 from \$30,952,000.

Atlantic-coast landings in 1954 rose to 1,-307,872,000 pounds from 1,191,222,000 and the value to \$49,164,000 from \$45,395,000.

* * * *

NEW HOUSING RECORDS: Residential construction in Canada reached record levels in the year 1954 with new top figures set for the number of units completed, the number started and the number in various stages of construction at year's end, according to advance figures released by the Dominion Bureau of Statistics.

The number of new dwelling units completed in 1954 rose 5.3% to 101,965 from 96,839 in 1953, while the number started climbed 10.9% to 113,527 units from 102,409, and the number still under construction at the end of the year 14.5% to 68,641 units from 59,923 at the end of 1953.

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Ontario is particularly inviting to visitors who like to roam and fish through unspoiled forest lands.

BILL OF RIGHTS PROPOSAL DEBATED

MINISTER'S ANALYSIS. A motion by Mr. John G. Diefenbaker, Progressive Conservative member for Prince Albert, Saskatchewan, launched a one-day debate in the House of Commons on February 7 on a Bill of Rights for Canada.

After the Minister of Justice, Mr. Stuart S. Garson, had opposed the proposal as unnecessary in a federal state, the main feature of which is the sovereignty of its legislative bodies, the Leader of the CCF group, Mr. M.J. Coldwell, moved an amendment proposing a Bill of Rights, along much the same lines as Mr. Diefenbaker, through an amendment to the British North America Act.

Mr. Diefenbaker's proposal was set forth in the following motion:

"That, in the opinion of this House, immediate consideration should be given to the advisability of introducing a Bill or Declaration of Rights to assure amongst other rights:

1. Freedom of religion, freedom of speech, freedom of the press and radio;
2. That Habeas Corpus shall not be abrogated or suspended except by Parliament;
3. That no one shall be deprived of liberty or property without due process of law, and in no case by Order-in-Council;
4. That no tribunal or commission shall have the power to compel the giving of evidence by any one who is denied counsel or other constitutional safeguards.

SUPREME COURT

"And that as a preliminary step the Government should consider the advisability of submitting for the opinion of the Supreme Court of Canada the question as to the degree to which fundamental freedoms of religion, speech and the press and the preservation of the constitutional rights of the individual are matters of federal or provincial jurisdiction."

Following are the remarks with which Mr. Diefenbaker concluded his speech:

"I believe, Sir, a Bill of Rights is necessary in our country today to provide a framework for our thinking and to crystallize the spiritual values in the concept of freedom. The situation before 1944 - since when there have been two world wars and a cold war - has been proven inadequate today. Our fundamental freedoms were not written into the British North America Act because it was believed at that time by philosophers that never again would those fundamental principles be in danger of being undermined.

"We have learned today, with the experience of the years of war and a cold war, that freedom has to be paid for in every generation; that it cannot be purchased at bargain counters; it cannot be purchased on credit with payment to be made in the future. It can only be purchased by action. I ask that the Govern-

ment give consideration, not to the introduction of a Bill of Rights at this time but to ascertaining first the constitutionality of a Bill of Rights and then, having so determined, that they ensure the preservation of fundamental freedom in our country, under law and under the constitution."

Some excerpts from Mr. Garson's speech in reply follow:

"The introduction of this deceptively simple problem but rather emotional one into such a complex field creates a problem which, as the Hon. Member for Prince Albert said, and I agree with him, is an extremely difficult one. It is the problem of superimposing a Bill of Rights, after the United States fashion, upon the federal constitution of Canada, whose main feature, inherited from the constitution of Great Britain, is the sovereignty of its legislative bodies. The feat of super-imposing such a Bill of Rights upon such a constitution is, at least on its technical side, a very difficult feat indeed. . . .

"Our present constitution is not perfect; but there are few if any that are any better. And if we are going to improve it we must have a thorough and accurate understanding of both its virtues and its defects. In order to make sure that the Bill of Rights proposed would correct those defects without at the same time adversely affecting its virtues, we must be sure that it is technically possible for us to do what no one has yet done in the world, namely superimpose a Bill of Rights upon the constitution of a federal state, the main feature of which is the sovereignty of its legislative bodies. . . .

UNITED KINGDOM

"My submission is that a Bill of Rights which is advocated in any of these forms which have been suggested is not the most effective form in which the recognition of those rights can take. I suggest to the Hon. Member for Prince Albert (Mr. Diefenbaker) that there is no country in the world whose constitution includes a Bill of Rights which recognizes and protects those rights as effectively as they are recognized in the United Kingdom and in this country of Canada. The United Kingdom has no Bill of Rights in the sense in which the Hon. Member for Prince Albert and the Hon. Member for Rosetown Biggar (Mr. Coldwell) use that term as referring to something which they would like to add to our Canadian constitution. . . ."

Referring to Mr. Diefenbaker's submissions of what he held to be instances of need, Mr. Garson said:

"What have those to do with our constitution or a Bill of Rights? As my Hon. friend himself told us this afternoon, all that is required in any of those cases is to introduce

amendments to our existing law. Amendments have already been introduced in connection with the latter two of those three cases. They were introduced by the Government, supported by my hon. friend and passed by this Parliament. There is no necessity in matters of this kind for a Bill of Rights. All that is needed is an amendment to the law."

No decision was reached on the issue and the debate was adjourned.

* * * *

AUSSIES GREET "ONTARIO": On Board HMCS Ontario, February 9. This Canadian cruiser arrived in Brisbane on Monday and received a typically hearty Australian welcome.

During a two-hour visiting period more than 2,500 persons came on board the ship and another 2,000 were still lined up on the jetty when the visiting period ended. A second "open house" will be held before the Ontario sails on Friday. Earlier in the day, 50 Brisbane sea cadets toured the training cruiser.

Brisbane is the third port of call thus far for the Ontario, which left Esquimalt early in January on a three-month training cruise to the South Pacific, Australia and New Zealand.

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CONSUMER PRICE INDEX: The consumer price index receded 0.2% from 116.6 to 116.4 between December 1 and January 3. The decrease was due entirely to a drop in foods as the index for this series changed from 112.6 to 112.1. Shelter, the only other group to change, advanced from 128.2 to 128.4, reflecting increases in both rent and home-ownership.

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TV RISE: Canadian manufacturers sold 94,451 television sets for \$33,327,745 in November as compared with 55,549 sets sold for \$22,324,109 in the same month in 1953, the Dominion Bureau of Statistics reports. November sales of radios, on the other hand, declined to 59,245 worth \$4,581,822 from 69,713 worth \$5,258,004 a year earlier.

* * * *

Canadian output of pig iron last December was down to 185,634 tons from 220,526 tons a year earlier, and in the full year 1954 totalled 2,213,433 tons as against 3,012,269 in 1953, according to the Bureau's monthly report on production of pig iron and steel.

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Per capita consumption of coal in Canada fell to 2,580 tons in 1953, the lowest level since 1938. The postwar peak was 3,678 tons in 1948.

1954 AUTO SALES DOWN: New motor vehicle sales in Canada last year declined 17% in number and 15% in retail value from 1953's all-time peaks, according to the Dominion Bureau of Statistics. At the same time financing of sales dropped 19% in number and 15% in value. Combined shipments in Canada of Canadian, U.S. makes and European-made motor vehicles during the year were down 25%.

The drop in sales of new motor vehicles was Canada-wide in scope last year, the national total dropping to 381,882 units from 462,526 in 1953 and the retail value to \$987,439,000 from \$1,162,471,000. Passenger car sales fell to 309,837 units from 359,172 and the value to \$796,039,000 from \$899,726,000, and commercial vehicles to 72,045 in number from 193,354 and in value to \$191,400,000 from \$262,745,000.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat on January 26 totalled 357,151,000 bushels, moderately below last year's 373,435,-000 bushels, according to the Bureau's weekly release. Deliveries of wheat from farms in the Prairie Provinces during the week ending January 26 jumped to 4,252,000 bushels from 1,-019,000 but overseas export clearances dropped to 3,590,000 bushels from 4,190,000.

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ONTARIO LEGISLATURE OPENS: The Ontario Legislature opened in Toronto, February 8. The Speech from The Throne forecast the largest public investment in the history of the Province, based on public works, highways, St. Lawrence Seaway and other projects.

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CIVIL DEFENCE: Chiefs of many of Canada's large industrial medical services are to attend a series of special courses to study disaster preparedness and action, it was announced February 4 by the Department of National Health and Welfare.

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Canadian production of both copper and nickel increased in November and the first 11 months of 1954 as compared with a year earlier. The month's output of primary copper amounted to 26,167 tons versus 17,256, bringing the cumulative total to 275,456 tons versus 235,-486. November production of nickel totalled 13,204 tons versus 12,764 and in the 11 months aggregated 144,167 tons versus 131,571.

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The process cheese industry shipped a record \$27,271,289 worth of products in 1953, \$1,-788,723 worth or 7% more than in 1952.



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WEEK'S EVENTS IN REVIEW

NORTH AMERICAN DEFENCE: In reviewing before the House of Commons, on January 28, Canada's defence planning and contributions to NATO, the Minister of National Defence, Mr. R.O. Campney, devoted a portion of his address to the defence of North America.

He said, in part:

"The defence of Canada--indeed of North America--has suddenly become almost as important to the other NATO nations as it has always been to ourselves. This fact arises, of course, from the emergence of an improved Russian nuclear weapon delivery capability against North America.

"Under such circumstances it becomes essential that greater efforts be put forth immediately to strengthen the defences of this continent because North America is the only great base from which operations for the defence of Europe can be supported, and also because of the necessity of protecting the thermonuclear retaliatory capacity of the United States, something which provides at the present time probably the greatest single deterrent to war.

"And so what we have come to term 'continental defence', that great joint effort of Canada and the United States to protect and to defend both countries against aggressive attack, is at the same time a very real and vital contribution to NATO's effort as well. Thus every dollar we spend on 'continental defence' has a double value. It has value first

and primarily, of course, for our own defence and, second, for the preservation of the defence capacity of NATO as a whole.

"'Continental defence' is an expensive business. The so-called 'Pinetree' radar chain now in operation, supported by the fighter squadrons of air defence command, along with the mid-Canada line which Canada is proceeding to construct and the distant warning line to be constructed in the far north, together form a comprehensive air defence system and will cost many hundreds of millions of dollars. A large portion of the cost of this system is still to be paid. This cost will entail a very considerable drain on Canada's resources during the next few years.

"In passing I should like to express to our friends to the south our appreciation of the very fine spirit of co-operation and understanding shown in the development of this great defensive system, on the construction of which we are jointly engaged."

"Our relations with our neighbour demonstrate how easy it is for peoples with like ideals and with common incentives to work closely and effectively together in peace and harmony to their mutual benefit...."

"In concluding these few brief remarks I should like to emphasize the fact that Canada's military effort is motivated solely by considerations of self-protection. We have no aggressive designs against any other nation. We covet no nation's territory. We have never in-

(C.W.B., February 4, 1955)

itiated a war against anyone. We are, in fact, not a warlike people, though we can fight if we have to. Our present effort is a defence effort only. It is an effort which we are making in the hope that it will contribute to the joint strength of the NATO nations whose only aim is peace."

The Minister mentioned that on his trip to Germany last fall he had been impressed by the close and friendly relations existing between Canadian troops and their families and the German people, and proceeded:

"It seems to me that all of us might derive a lesson from that example. If we could only establish with the Russian people as individuals such personal contact and understanding as our soldiers and their families in Germany have established with the German people, perhaps the prospect of war might rapidly fade. Probably history will record as the greatest of all the crimes which the Russian dictatorship has perpetrated against humanity the forced isolation of its people from contact with the rest of the world. Perhaps one day this monstrous imprisonment of a whole people can be overcome. If it is ever possible to overcome that imprisonment, I believe that the fear of war might rapidly abate.

"In the meantime, the maintenance of peace is dependent on the continuing build-up of effective military strength of the free nations. We must become so strong collectively that no one will attack us. That is the goal of NATO. What the 14 nations which comprise NATO - and we hope the admission of Western Germany will soon make it 15 - could not hope to do individually, we can, I believe, accomplish by determined collective effort."...

* * * *

3,595,000 FAMILIES: There was a bigger rise in the number of families than in the number of households in Canada in the 12 months to June 1 last year, but in the two years from June 1, 1952 the number of households showed a larger increase, according to the annual estimates by the Dominion Bureau of Statistics. The average size of households was smaller last year than in the two previous years, while the average size of families was the same as in 1952 and 1951 after a rise in 1953.

Canadian families were estimated at 3,595,000 at June 1 last year, an increase of 118,000 or 3.4% since the start of June 1953 and 182,000 or 5.3% since the same date in 1952. The average family size was 3.7 persons as compared with 3.8 persons in 1953 and 3.7 persons in both 1952 and 1951.

* * * *

Alberta ranked second to Ontario in value of mineral production for the first time in 1954. In the two previous years it placed third after Quebec, and in 1951 it was in fourth place behind British Columbia.

DECEMBER DEFICIT: Budgetary revenues for December were \$363.6 million or \$15.5 million less than for December, 1953 while budgetary expenditures totalled \$409.6 million or \$4.2 million less than last year. Consequently, the budgetary deficit of \$46 million was \$11.3 million greater than that for December, 1953, the Minister of Finance, Mr. Walter Harris, announced on January 29 in his monthly statement.

For the first nine months of the current fiscal year, budgetary revenues were \$2,973.3 million, expenditures were \$2,927.6 million and the budgetary surplus was \$45.7 million. For the same period in 1953, budgetary revenues were \$3,168.6 million, budgetary expenditures were \$2,928.2 million and the surplus was \$240.4 million.

Operations of the old age security fund, which are not included in budgetary transactions, resulted in a deficit of \$7.6 million for December and a cumulative deficit of \$48 million for the first nine months of the current fiscal year.

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EMPLOYMENT DOWN: Employment in the major non-agricultural industries showed a further decline at December 1 when the Bureau's advance index stood at 112.6 versus 113.0 a month earlier and 114.1 a year ago. Expenditures in weekly payrolls fell 0.6% in the month but were 0.9% above 1953. The advance figure of per capita weekly wages and salaries, at \$59.62, though slightly below the all-time maximum of \$59.78 of November 1, was the highest in the record for December 1.

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UNEMPLOYMENT CLAIMS UP: Ordinary or regular benefit claimants on the live unemployment register numbered 400,830 on December 31 against 274,462 a month earlier and 372,363 on the same date in 1953, according to the Bureau's monthly report on the operation of the Unemployment Insurance Act. In addition, supplementary benefit claimants numbered 30,940 at the end of last December as against 18,670 a year earlier.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat on January 12 totalled 358,465,000 bushels, down 5.6% from last year's corresponding total of 379,644,000. Prairie farmers increased their deliveries of wheat during the week to 8,656,000 bushels from 5,739,000 a year earlier, while overseas export clearances rose to 3,842,000 bushels from 3,194,000.

* * * *

There were an estimated 3,785,000 non-institutional households in Canada at the start of June last year, 110,000 or 3% more than on the same date in 1953.

DECEMBER EXPORTS JUMP TO 18-MONTH HIGH . . .

IMPORTS DECLINE: Canada's total exports jumped to an 18-month high value in December, while commodity imports showed a small decline, to produce the largest export surplus in 3 years, according to preliminary figures released by the Dominion Bureau of Statistics. The December rise in exports followed a moderate increase in November but declines in earlier months of the year resulted in an overall decrease of 5.5% in the year's value. Imports declined 6.6% in 1954, declines being common to all months except June and November.

Total exports in December were valued at \$395,300,000, an increase of 9.5% over the preceding year's \$360,900,000 and the highest since June and July 1953 when shipments of wheat were exceptionally high. Total value for the calendar year was \$3,945,700,000 versus \$4,172,600,000 in 1953. Commodity imports were slightly lower in value in December being estimated at \$337,000,000 versus \$338,400,000, bringing the year's total to \$4,094,600,000 versus \$4,382,800,000 in 1953.

The substantial rise in exports coupled with the small decline in imports produced an estimated export surplus in December of \$58,-300,000. This compares with an export surplus of \$22,500,000 in December, 1953. The estimated import balance for the full year 1954 amounted to \$148,900,000, substantially reduced from 1953's \$210,200,000.

Exports to the United States in December dropped to \$219,500,000 from \$223,500,000 a year earlier and the imports from that country

fell to \$244,200,000 from \$246,800,000. The import surplus was little changed at \$24,700,-000 versus \$23,300,000. In the full year 1954 exports to the United States dropped to \$2,363,100,000 from \$2,463,000,000 and imports to \$2,964,100,000 from \$3,221,200,000. The year's import surplus fell to \$601,000,000 from \$758,200,000 in 1953.

Total sales to the United Kingdom rose sharply in December to \$81,500,000 from \$47,-600,000 a year earlier but the imports dropped to \$33,800,000 from \$38,300,000, and the export surplus rose sharply to \$47,700,000 from \$9,300,000. In the full year 1954 exports were slightly lower at \$661,600,000 versus \$668,-900,000, and imports were down to \$392,400,000 from \$453,400,000. The result was an enlarged export surplus of \$269,200,000 versus \$215,-500,000 in 1953.

December's exports to all other Commonwealth countries rose to \$16,500,000 from \$13,100,-000 but imports fell to \$8,900,000 from \$9,-400,000. The full year's exports to the group declined to \$196,500,000 from \$234,500,000 but the imports rose to \$182,900,000 from \$170,-500,000.

Commodity exports to all other foreign countries in December were slightly higher at \$77,800,000 versus \$76,700,000 and the imports climbed to \$50,100,000 from \$43,900,000. In the year 1954 the exports to the group fell to \$724,500,000 from \$806,200,000 but imports rose to \$555,200,000 from \$537,700,000.

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NON-FARM INCOMES: A DBS publication released on January 26 presents some interesting new data on the distribution of family and individual incomes in Canada. Total cash income of non-farm families for the year 1951 is shown as \$11.5 billion. This was distributed among 3.6 million non-farm family units, with the average income for each family unit being nearly \$3,200. This figure includes unattached individuals.

In 1951 approximately one-half of all families received between \$1,500 and \$4,000, about one-quarter fell below this income group, while the remaining quarter had incomes in excess of \$4,000. Families in the lower income groups consisted largely of single persons living apart from relatives and of two-person families. Many of these were young and only recently employed, while others were elderly people (over 65), many living in retirement or semi-retirement.

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Gross value of products of Canada's tobacco and tobacco products industry in 1953 totalled \$378,851,000, down from the all-time 1952 peak of \$389,773,000.

"QUEBEC" TO SOUTH AFRICA: HMCS Quebec has resumed her training cruise to South Africa following an unscheduled stop at Bermuda to land a seaman for hospitalization. The ship sailed January 22, after being further delayed by heavy weather in the Bermuda area.

The call at Bermuda during the first leg of her three-month training cruise around the continent of Africa will result in some changes in the Quebec's future programme.

The training cruiser is now scheduled to call at Freetown, Sierra Leone, on January 29, departing the same day for Cape Town, South Africa, arriving February 7. She will remain in Cape Town until February 11 and then visit Port Elizabeth from February 12 to 15 and Durban, Natal, from February 16 to 24. Her visit to Mombasa, Kenya, will be made as originally scheduled, from March 1 to 4.

Later in March she will sail through the Suez Canal and visit ports in the Eastern Mediterranean and Southern Europe before returning to Halifax April 15.

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The Royal Canadian Artillery Band will sail for Europe early in February aboard the Saxonia.

PRIME MINISTERS' CONFERENCE: On the eve of his departure to attend the meeting of Commonwealth Prime Ministers in London, the Prime Minister, Mr. St. Laurent, made a statement in the House of Commons touching on some of the matters to be discussed.

He said:

"Hon. Members will know that I am proposing to leave tomorrow for London to attend the meeting of Commonwealth Prime Ministers. As I have said previously in the House, this meeting will give an opportunity for an exchange of views on some very important questions, and it underlines the value of the Commonwealth association as a medium for such exchanges. In turn these exchanges will make possible, I hope, more effective policies and actions for the attainment in our respective countries of the objectives of peace and greater human welfare which are basic for all the peoples of the Commonwealth.

"At this particular meeting questions of foreign affairs, and more particularly those concerned with Far Eastern matters, will occupy a great deal of attention. Recent developments in the Far East have underlined the seriousness of these issues. Because of that, and after certain messages to and from London, I have decided to ask my colleague the Secretary of State for External Affairs (Mr. Pearson) to accompany me to this Conference. Of course it will be possible for him to return to Ottawa before the end of the Conference if the situation here should appear to make that desirable."

ADVISERS

"As is customary I will also be attended at these meetings by the High Commissioner for Canada in London. The Under-Secretary of State for External Affairs, Mr. Leger, will be one of our advisers. I had hoped to include Mr. R. B. Bryce, the Secretary to the Cabinet, in that capacity, but because of his regrettable illness his place will be taken by Mr. Ross Martin, Assistant Secretary to the Cabinet.

"On economic matters we will be in close touch with our top economic advisers who are now attending the GATT meetings in Geneva, and it will not be difficult to have at least one of them join us in London when we reach the stage in the London meetings where we are dealing with that aspect of the agenda.

"In answer to a question from the Acting Leader of the Opposition, Mr. W. Earl Rowe, as to whether he expected trade matters to be discussed and suggesting that he might include the Minister of Trade and Commerce, Mr. Howe, in his party, Mr. St. Laurent replied:

"I should like to include all my colleagues in the House, but it so happens that that is not possible. In view of recent developments I would expect that much of our time will be

taken up with a discussion of the international situation which we all look upon as being quite grave at this time. All of us appreciate the opportunity of taking counsel together as to what might best serve the interests of peace in the world.

"The Conference was not intended originally to operate as a continuation of the economic conference of two or three years ago, but I expect that that aspect of the world situation will also be under review. After the agenda has been settled at the first meeting we will know what time will be available for the consideration of that aspect of our affairs."

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1955 STRATFORD FESTIVAL: Two Shakespearean plays, "Julius Caesar" and "The Merchant of Venice", are the choice of the Stratford Shakespearean Festival at Stratford, Ontario, for next summer's programme. In addition, the Festival plans a limited number of repeat performances of last season's "Oedipus Rex". The Stratford Music Festival will be introduced, to run in conjunction with the theatrical presentations.

A star actor from abroad, Frederick Valk, will play Shylock, with Frances Hyland as Portia. Lorne Greene, noted Canadian radio, television and theatre personality, will play the role of Brutus.

The music Festival will be under the direction of Louis Applebaum, a Canadian composer well known for his music for Hollywood film productions.

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DR. HERZBERG HONOURED: Dr. Gerhard Herzberg, Director of the Division of Physics of the National Research Council of Canada, has been elected an Honourary Fellow of the Indian Academy of Sciences "in recognition of his scientific eminence and of his outstanding contributions to knowledge".

Since the time it was founded in 1934, the Indian Academy of Sciences has bestowed this signal honour upon only about 40 leading savants from all over the world. Dr. Herzberg is the first Canadian to receive this honour.

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MAJ.-GEN. ROCKINGHAM TO EUROPE: The Commander of the 1st Canadian Infantry Division, Maj.-Gen. J. M. Rockingham, left Canada for Europe on January 27 on a tour of Canadian and British units in Germany and the United Kingdom. He will also visit United Kingdom formations, both in Germany and in Britain.

* * *

The value of Canada's 1954 mineral production is estimated at an all-time high of \$1,454,000,000 or \$95.69 per capita, a jump of \$118,000,000 or nearly 9% over the 1953 value which worked out at \$90.39 per Canadian.

TO INTERNATIONAL PEACE IN FAR EAST

MR. PEARSON'S BROADCAST: If an armistice can be secured in the Formosa Straits the main immediate threats to international peace in the Far East will have been dealt with, said the Secretary of State for External Affairs, Mr. L. B. Pearson, in a nation-wide radio broadcast from Ottawa on January 28.

After reviewing the debate in Canadian Parliament which preceded approval of the Paris Agreements by an overwhelming majority, he reiterated his view that admittance of the Federal Republic of Germany to the North Atlantic Treaty Organization under the prescribed controls was the best course towards the desired world peace, and went on to deal with the situation off the coast of China and in Formosa.

On this subject he said:

"Canadians watch with anxiety developments in Washington and in Peking, off the coast of China and on the island of Formosa.

"The policies now being worked out in Washington to deal with these matters are American, and Canada is not committed by them. Any obligation which we might have in regard to Formosa could arise only from our responsibilities as a member of the United Nations.

CONSEQUENCES

"However, though we may not be committed by American policies, we certainly cannot escape the consequences of what may be decided in Washington - or in Peking. And therefore it is surely the duty of the Canadian Government to do what it can to ensure that these consequences are good.

"It seems to me that in considering this matter, a distinction should be made between the position of Formosa - whose relation to China is still undecided legally and politically and that of those islands just off the coast, indisputably part of China and now the scene of bitter conflict between the Nationalist Chinese who cling to them and the Communist Chinese on the mainland who are trying to seize them.

"It would be tragic indeed if global war were risked by an intervention in this particular phase of what after all remains, especially to those countries who have not recognized the Communist Chinese Government, a Chinese civil war, even though one party to that war is a Communist regime which has already committed aggression in Korea and caused widespread distrust and fear.

"It seems to me that what is required now (and this is much easier to say than to do) is to try to bring about a ceasefire on terms

which will not dictate or prejudice any later political settlement, and which will make possible the peaceful redeployment of Nationalist Chinese forces from the coastal islands which they now occupy, in the words of President Eisenhower, 'as a result of historical rather than military reasons directly related to defending Formosa'. The machinery of the United Nations will, I hope, prove useful for this purpose. The Chinese Communists would certainly have to be invited to any United Nations discussions to this end - for there could be no ceasefire without their agreement.

"The cessation of fighting, and the peaceful and agreed withdrawal of Chinese Nationalist forces from the small coastal islands to Formosa and the Pescadores should make possible the de facto establishment of a situation with which all sides could live. The calmer atmosphere which could thus develop should eventually make possible a final political disposition of Formosa in accordance with the wishes of its people.

NEUTRALIZATION

"Pending any overall political settlement, consideration could be given to the neutralisation of Formosa, which would be protected against assault from Communist forces on the mainland and prevented from being used as a base for attack on that mainland.

"During recent years there have been three areas, on the periphery of China, where local fighting has gravely threatened the peace of the world. Armistice agreements have been signed in two of these areas - Korea and Indo-China. The third, Formosa, remains to be dealt with. If an armistice can be secured in the Formosa Straits the main immediate threats to international peace in the Far East will have been dealt with. It may then, be possible eventually to negotiate a settlement of some of the differences in that area which stand in the way of peace.

"Meanwhile the first job, as always, is to stop the fighting.

"The second, as I see it, is to avoid provocation on the one hand and weakness and disunity on the other. But, I repeat it would be unutterable folly to allow these Chinese islands which are a hundred miles from Formosa to become the scene or the occasion of a major conflict. I am confident that this is the view of those who are directing policy in Washington under the leadership of a President who is patient, peace-loving and wise. I wish that I had as much knowledge of and confidence in the views of those who rule in Peking".

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The Canadian National Railways has confirmed that it will fully dieselize its trans-

continental passenger train services concurrent with the next timetable change on April 24.

\$153,192,527,000 IN CHEQUES: Cheques cashed in 52 clearing centres across Canada had a total value of \$153,192,527,000 last year, a 7.5% increase over the 1953 value of \$142,533,-068,000, the Dominion Bureau of Statistics reports. December cashings were worth over 10% more than a year earlier at \$14,242,143,000 against \$12,903,321,000.

The value of cheques cashed in December was higher than in 1953 in all economic regions except the Atlantic Provinces, where the total was down about 3% to \$374,980,000 from \$387,-271,000.

The only economic region to show a decrease in the value of cheques cashed in the 12 months was the Prairie Provinces, where the aggregate fell 3.5% to \$24,155,325,000 from the 1953 value of \$25,019,281,000.

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HOUSING JUMP: Preliminary figures for 1954 indicate that National Housing Act lending activity during the year exceeded activity in 1953 by about 67% in dollar volume and 39% in total number of housing units. Central Mortgage and Housing Corporation reported February 1.

Total NHA commitments for the 12 months of 1954 amounted to \$485,457,915 for 41,945 loans and 53,515 housing units an increase of \$195,-141,813 over 1953 when 26,509 loans were made for 38,548 housing units.

The 1954 activity also exceeded the previous annual record of \$284,487,000 for 33,934 loans and 42,280 housing units, set in 1950.

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CRUDE PETROLEUM: Crude petroleum production in Canada during last October amounted to 8,720,919 barrels, down from 8,864,074 in September but up sharply from 7,237,219 barrels in October 1953. Output in the ten months ending October aggregated 78,134,049 barrels, nearly 20% above the total of 65,224,729 barrels in the like 1953 period. Natural gasoline output (not included in the foregoing figures) rose to 64,649 barrels in October compared to 52,376 a year earlier, and in the ten months totalled 539,412 against 483,128 barrels.

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NATURAL GAS RISE: Canadian production of natural gas rose sharply last October to 10,-224,422 M cubic feet as compared to 8,153,476 M cubic feet in October 1953, bringing the output for the first ten months of 1954 to 95,-908,062 M cubic feet as against 78,442,388 M cubic feet in the corresponding 1953 period. Alberta accounted for 85,276,385 M cubic feet of last year's ten-month total (69,674,379 in 1953).

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Department store sales increased 7.3% during the week ending January 15 as compared with the corresponding week last year.

HONG KONG MEMORIAL: The names of 228 Canadian soldiers who have no known graves have been recorded on a memorial to be unveiled at Saiwan Bay Cemetery in Hong Kong on February 20, it was announced Jan. 31 at Army Headquarters.

The memorial will bear the names of more than 2,000 Commonwealth servicemen who died during the siege of Hong Kong just over 13 years ago. Their graves have never been located.

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AMENDMENT DEFEATED: By a vote of 204 to 23, the House of Commons, on February 2, defeated the CCF proposed amendment to the Address in Reply to the Speech from the Throne. Liberals, Progressive Conservatives and Social Credit members voted solidly against the motion, which would have criticized the Government for returning to the "policy of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment of the pre-war years". . . .

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WHEAT SUPPLIES: Visible supplies of Canadian wheat in store or in transit in North America totalled 358,709,000 bushels on January 19, a slight increase over the preceding week's total of 355,755,000, but appreciably below the 378,780,000 bushels reported a year earlier. Overseas export clearances during the week amounted to 3,207,000 bushels as against 2,792,000 in the week ending January 20 last year, and in the August 1 - January 19 period of the current crop year totalled 106,644,000 bushels as against 105,705,000 a year earlier.

During the week ending January 19, Prairie farmers marketed 5,346,000 bushels of wheat, considerably less than the 8,656,000 marketed in the preceding week but substantially more than the 3,836,000 marketed in the corresponding week last year.

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INDUSTRIAL PRODUCTION UP: Canada's composite index number of industrial production for November stood at 254.9, up 1.7% from 250.6 a year earlier, according to preliminary calculations. This was the second successive month in which the corresponding 1953 index was exceeded. For the first 11 months of 1954 the index averaged 245.2, slightly less than 2% below the same period of 1953.

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Deliveries of oil through Canadian pipelines in November amounted to 14,512,246 barrels, down from October's 14,824,697 barrels, but up 12% from 1953's November total of 12,-918,411 barrels. This brought cumulative deliveries for the January-November period to 156,-140,795 barrels, up 17% from 132,904,219 a year earlier.



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WEEK'S EVENTS IN REVIEW

APPROVE PARIS AGREEMENTS: The House of Commons on January 26 voted 213 to 12 for ratification of the Paris agreements for admittance of a rearmed West Germany into the North Atlantic Alliance.

All 12 opposed were C.C.F. members, whose leader, Mr. M.J. Coldwell, had supported the Government's resolution. Liberal, Progressive Conservative and Social Credit groups voted solidly for ratification.

The 24-man C.C.F. group split three ways. Twelve voted against, five abstained and five voted in favour. Two were absent.

The debate had lasted five days and was concluded, prior to the vote, by an appeal from the Secretary of State for External Affairs, Mr. Pearson, for unanimous approval.

Reaffirming his confidence "that we are now on the right path, and that the agreements we drew up in London and Paris will make an important contribution to security and peace," the Secretary of State for External Affairs, Mr. Lester B. Pearson, moved in the House of Commons on January 20 for the approval of the protocol to the North Atlantic Treaty on the accession of the Federal Republic of Germany.

"From the foundations of defence strength and constructive unity which they will provide the West," he said in the closing paragraph of his address on that occasion, "I sincerely trust that it will now be possible to convince

the Soviet leaders of our firm intention, and indeed determined resolution, to defend ourselves without in any way menacing them, or without rejecting any opportunity to ease a state of international tension which is both sterile and dangerous."

He said at the outset that, incomparably, the most important political problem facing Canadians today was the danger of the cold war becoming a blazing thermo-nuclear one which would threaten the existence of the whole human race.

Speaking of the proposed participation of the Federal German Republic in NATO, he said:

"I think hon. members would delude themselves if they conceived of the people of the German Federal Republic today as a nation of militarists straining at the leash for freedom to rearm, to tax themselves for weapons, and to conscript themselves for military service.

"The fact is that in Germany, as elsewhere, there is revulsion against war and militarism from which Germans as well as the rest of us have suffered so much and so recently.

"In the Federal Republic of Germany today as elsewhere in free countries, rearmament, when it is supported - and there is a strong body of opinion in Germany which does not support it, some from good motives and some from bad motives - but where rearmament is supported in Germany today, as it is supported by the

freely elected Government of that country, it is generally regarded at best, as indeed it is here, as a tragic necessity. . . .

"It is also a gross distortion to represent the London and Paris agreements as an aggressive move which threatens the people of Russia. It is too late in the day to be surprised by the falsity and hypocrisy of Soviet propaganda in this matter, but I am still sometimes astonished by the continuing gullibility of some who are taken in by it.

"So let us not forget, and let us keep on emphasizing, that the defence policies of the west in EDC or in NATO or in these Paris agreements are not the cause but the result of the aggressive policies of Russian imperialism, and of the huge communist armies backing those policies; of aggressions in Berlin, Czechoslovakia and Korea. It was all this, with the fear that followed it, that forced the world reluctantly to regather some of the strength it had thrown away in 1945, while Russia remained under arms on land, on sea and in the air.

"It is also worth recalling in particular that the Russians began the rearmament of Germans in the eastern zone as long ago as 1948, when there was not a soldier in the Federal German Republic". . . .

EAST GERMANY

After an appraisal of military strength in East Germany, he proceeded:

"For many years the Russians have also been organizing military forces in other European nations, including those who were our fascist enemies in the last world war and are supposed now to be disarmed by treaty.

"There are, for example, about a quarter of a million Bulgarian troops, over 225,000 Hungarian troops and some 350,000 in the Roumanian forces. There are in all, 75 satellite divisions, some of them armoured, and over 2,500 planes. All are under complete Russian control, and in Poland that control has been carried to the point where the Defence Minister in that country is a Soviet marshal.

"But far more important even than these are some 500,000 Soviet troops in occupied Europe west of the Soviet frontiers, no less than 400,000 of whom are stationed in Eastern Germany, where they are the European spearhead of the 175 divisions of the Soviet army.

"So much, then, for the absurd contention that the present western defence programme is a hostile, aggressive move which threatens the Russians and their peace-loving friends, who have never had any policy or any plan, so we are told, except peaceful co-existence in a world without arms. . . .

"There are those today who are saying, some with sincerity but others, the communists, with calculated deceit. 'Why do we not have

one more conference with the Soviet on German unification and on a peace treaty before taking the final step to ratify these agreements?' Mr. Speaker, I would remind those persons that from October, 1950, until the present time there have been at least 16 occasions on which France, the United Kingdom and the United States, the occupying powers of Western Germany, have in notes to the Soviet Government, or the Government of the German Federal Republic, in notes to the authorities of East Germany, proposed, as a basic condition of agreement on German unification, the holding of free elections under a form of international supervision which would ensure that those elections were honestly carried out. . . .

"During those months which saw the end of the European Defence Community, and indeed in recent weeks also, there has been talk of a European and Atlantic security system functioning without France. In my view this is careless talk, or worse, as it ignores the great importance of France politically, strategically and industrially. I do not think any Atlantic or European system of security really could be satisfactory or effective to which France did not willingly contribute."

CONTROLS

In a detailed review of the Western European union agreements, he stressed the point that there would "be no separate German national army apart from NATO," nor would Germany have the right to deploy her own forces. Furthermore, German forces are to be dependent upon NATO rather than upon national logistic support. And, among further limitations, "Germany agrees unconditionally not to manufacture atomic, biological or chemical weapons and also not to manufacture long-range aircraft and guided missiles, mines, warships. . . ."

Admitting Canadians to have every right to be concerned with German good faith in this series of agreements, he added: "It is my considered view that support of these agreements with the safeguards I have described is both wise and far-sighted, and of all the courses that are open to us this is the best course to follow in our effort to shape a better future."

"Quite apart from the pressing fact of the Soviet threat to western Europe it would, I submit, be wrong and foolish to deal with Germany now as a rejected, unequal people in international society. If we do so they will soon conclude that their choice lies only between isolation and a brooding introspection, or seeking domination and aggressive strength on their own.

"Surely the sensible course, even if the threat of communist aggression were removed, would still be to bring the Germans into the west European community, which includes the United Kingdom, and into the North Atlantic

Organization where they would only be one of 15 members, including the United States, and which they could not hope to dominate". . . .

Any alternative he could think of, he went on, would mean the end of the Atlantic alliance, and end the move toward European unification.

Later, he said:

"Now, finally, I wish to come back just for a moment to the argument, the most impressive one to my mind advanced against this policy, that these agreements will not make for peace but will make for division and controversy and renewed trouble in Europe that they will provoke the Soviets into violent reaction, and will drive that country into intransigent Stalinism again at a time when its Government, under new leaders, seems to be getting somewhat more co-operative and less hostile.

"As to the first, I do not think there is cause for undue alarm over Soviet threats to retaliate - and we have heard these threats in strong language - by forming a heavily armed eastern European alliance. While we should never dismiss pronouncements from Moscow as unworthy of serious examination, I do not think we should become unduly worried by Soviet 'kicks' any more than we should become unduly elated by Soviet 'carrots'. Both are often offered for the same purpose, to weaken our resolve and confuse our purpose.

EASTERN ALLIANCE

"There is certainly no reality behind the threat of an eastern NATO, because they have now a military alliance system, as I have tried to show, which is already more heavily armed than NATO, and under complete Soviet control. There are certainly no limitations or controls over armaments or men or anything else in that line. They could hardly go any further. As to the second point, there is no possible validity to the contention that these agreements justify or make inevitable an intensification by the Soviet Union of the cold war, at a time when it seemed to be lessening.

"I point this out because in the harsh and unreasonable things which the Soviet Government has been saying recently about western policies, there is the constant accusation that western nations respond to offers of peace and friendship from the Soviet Union by the war-like action of arming Germans for an eventual attack on the Soviet Union. It is hard to believe that Soviet leaders can make these claims seriously.

"The Soviet Government has never shown any inclination to discuss these agreements on a rational basis, or to take any reasonable attitude toward Germany or Austria. It has avoided constructive discussion and made no attempt to find out about or to seek reassurance on any point about western policy toward the German Federal Republic which it regarded as menacing to the Soviet Union.

"No one of course would deny to the Soviet Union, which suffered so cruelly from German arms, the right to issue warnings about German militarism. But we cannot regard Soviet judgments on this subject as superior to those of other nations, which also suffered from the same source". . . .

"So we would be unwise and shortsighted if we yielded to Soviet threats about what will happen if these agreements are ratified: Nor in my view will that ratification provoke war like retaliation, unless the Soviet Government, for other reasons, desires to pursue such a belligerent policy.

"I think myself, Mr. Speaker, that the chance that such retaliation will happen and war might follow are less now than they were last summer after EDC was rejected. On our part we have made it abundantly clear that NATO policies in Europe are defensive and pacific. . . .

"We know that the political and moral values which we cherish and the political system on which we rely do not thrive in conditions of war or continued tension. Our preparations are made for defence only, and war is for us not a means of combatting ideologies which we do not like. Therefore any genuine Soviet move to lessen tension, even if it affects only a limited area of international relations, should be welcomed by us, and we should be willing to go half way at any time to meet it.

"There is, of course, the constant danger of conflict from a misunderstanding on both sides of each others motives. In the West we remain with good reason alarmed by the threatening and aggressive policies of the USSR in recent years. In turn I think it is not inconceivable, given the atmosphere of totalitarian isolation and ignorance in Moscow, that the Soviet people, and even certain Soviet leaders, may at times consider - sincerely consider - that they are threatened by the West. One of the great tasks in the next few years in diplomacy is to try somehow to bridge this gap in misunderstanding, to build what His Holiness the Pope recently so aptly described as 'a bridge of truth' between east and west. . . ."

* * * *

CITIZENSHIP DAY: The Minister of Citizenship and Immigration, Mr. J. W. Pickersgill, announced recently that the Government has decided that Citizenship Day in 1955 would be observed on Friday, May 20, which is the school day immediately preceding Victoria Day.

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The 80 firms in Canada's agricultural implements industry shipped \$171,269,525 worth of products in 1953, a drop of 16.8% from the 1952 output value of \$205,775,487, according to the annual report by the Dominion Bureau of Statistics.

CPA TO EUROPE VIA NORTH POLE: The Minister of Transport, Mr. George C. Marler, announced on January 21 that the Government had approved the request of Canadian Pacific Airlines to be designated to operate an air service over a northern great circle route from Vancouver to Amsterdam in the Netherlands.

The existing bilateral air agreement between Canada and the Netherlands had provided that the Canadian Government could designate a Canadian airline to operate from a point in Canada to Amsterdam; and Canadian Pacific Airlines had submitted an application requesting governmental designation in this connection.

Mr. Marler explained that following governmental approval of the CPA request for designation, it would be necessary for the Company to submit an application to the Air Transport Board for the issuance of a license in accordance with the terms of the Aeronautics Act. It would also be necessary for the Government to submit a formal notification of designation to the Government of the Netherlands.

It was expected that both these steps would be taken in the immediate future and that the necessary documents should be issued to the airline in time to allow it to commence service by the spring of the present year, if it so desired.

The Minister also stated that CPA in its application had indicated that Vancouver was the only point in Canada which it proposed to serve; and that the governmental authorization would contain a condition to this effect.

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SUB-ARCTIC TREK: North from Edmonton by rail to the end of the steel, up the rugged Mackenzie Trail and across the snowswept reaches of Great Slave Lake to Yellowknife is the route to be taken by a small group of Canadian Army Signalmen early next month.

The group will travel by tracked vehicles, packing with them more than 15 tons of equipment to be used in conjunction with Exercise "Bulldog Three" in the Yellowknife area late in February.

This will be just one of many sub-Arctic treks most of the group have made. They expect to complete the 600-mile trip in about four days.

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Foreign vehicles entering Canada on traveller's vehicle permits declined 2% in the year 1954 as compared with 1953. Total entries, exclusive of repeat trips by summer residents and commuters, amounted to 2,450,844 versus 2,506,114 the year before. New Brunswick, Manitoba and Alberta were the only provinces to record increases.

INTERNATIONAL TRADE FAIR: Professor Dr. Ludwig Erhard, Minister of Economic Affairs for the Federal Republic of Germany, has accepted an invitation to open the Eighth Canadian International Trade Fair, in Toronto, on May 30, it was announced on January 21, by the Minister of Trade and Commerce, Mr. C.D. Howe.

Dr. Erhard, who has been actively engaged in the promotion of international trade, was Bavarian State Minister of Economics from 1945 - 46; Professor Economics at the University of Munich in 1947; Chairman of the Special Agency entrusted with the task of preparing plans for currency reform in 1947; Director of the Department of Economics in the United Economic Territory, Frankfurt-Hochst, from March 1948 to September 1949; and was appointed Minister of Economic Affairs for the Federal Republic of Germany in September 1949.

The Federal Republic of Germany is now one of Canada's most important trading partners, ranking fourth among this country's customers and fourth also among the countries from which Canada obtains her imports.

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TV SALES RECORD: Producers' sales of television receivers continue to roll up new high records. October's sales climbed to a new monthly peak of 91,701 sets, up sharply from the preceding year's 59,277. This brought January-October sales to 438,760 units versus 259,721 a year earlier.

The sharp rise in TV-set sales was accompanied by a drop in radio receiver sales. October's producer sales fell to 47,277 units from 56,036 in the same month of 1953, bringing cumulative sales for the January-October period to 368,354 units versus 480,618.

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WHEAT STOCKS: Visible supplies of Canadian wheat on January 5 totalled 355,755,000 bushels, up slightly from December 29 stocks of 355,114,000 bushels but down 6% from last year's 379,543,000 bushels. Deliveries of wheat from farms in the Prairie Provinces during the week ending January 5 moved up to 5,673,000 bushels from 4,991,000 and the overseas export clearances to 3,558,000 bushels from 2,489,000.

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MANUFACTURERS' SHIPMENTS: Canadian manufacturers' shipments in the first 9 months of 1954 were valued at \$12,894,173,000, moderately below the preceding year's corresponding total of \$13,431,949,000, according to estimates released by the Dominion Bureau of Statistics. Third-quarter shipments fell in value to \$4,286,437,000 from \$4,457,792,000.

TRADE IN SECURITIES: Trade in outstanding securities between Canada and other countries in November resulted in a sales balance or capital import of \$3,900,000. This balance compared with \$7,700,000 in October with purchase balances or capital exports in the two previous months. The volume of trading in November was slightly below the very high levels recorded in October.

In the first 11 months of 1954 the net capital inflow on account of trade in outstanding securities amounted to \$63,000,000 in contrast to outflows of \$12,000,000 in 1953 and \$78,000,000 in 1952.

Transactions with the United States in November led to a small sales balance of \$1,000,000 and the pattern of trading was much the same as in October. United States residents added \$9,500,000 of Canadian stocks to their portfolios but there were net repurchases by Canadians of other Canadian securities, mainly Government bonds amounting to \$12,100,000. Trading in foreign securities led to a capital inflow of \$3,500,000 from the United States, as Canadians disposed of holdings abroad, mainly United States stocks.

Trading with the United Kingdom resulted in a sales balance in November of \$4,900,000, mainly as a result of exceptionally heavy sales of Canadian stocks. There was a repurchase balance from other overseas countries of \$2,000,000, repatriation of Government bonds having been more than sufficient to offset sales of Canadian stocks.

An outstanding development in 1954 has been the increased sale to non-residents of outstanding issues of Canadian stocks, amounting on balance to more than \$100,000,000 in the first 11 months, compared with \$21,000,000 for the whole of 1953. The very substantial inflow covers about \$70,000,000 from the United States and over \$30,000,000 from overseas countries. Contributing to the net movement from the United States have been sales to diversified management investment companies which have raised about \$140,000,000 of capital in 1954.

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The third draft of Royal Canadian Navy personnel selected to take submarine training in the United Kingdom left Montreal by TCA charter flight on January 24. The group of 42 volunteers, drawn from ships and establishments across the country, are joining the two previous drafts at HMS Dolphin, the Royal Navy's submarine training base near Portsmouth.

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Production of electric energy by central electric stations rose 10% in November from a year earlier and the cumulative output for the January-November period advanced nearly 5%. November's output amounted to 6,206,137,000 kilowatt hours.

EMPLOYMENT: Labour-management disputes, notably in the automotive and iron and steel groups of manufacturing and in construction, contributed materially to a drop in the level of industrial employment at the beginning of November. The Bureau's index number of industrial employment declined 0.8% from October and 2.9% from a year earlier. At the same time weekly payrolls rose 0.1% from October, continuing the slightly upward trend followed since early spring. Per capita weekly earnings rose to a new high.

The November 1 index of industrial employment stood at 112.5 versus 113.4 a month earlier and 115.9 a year earlier, and that for payrolls at 157.2 versus 157.1 in October and 157.4 in 1953. Per capita weekly earnings averaged \$59.80 versus \$59.25 a month earlier and \$58.14 at the beginning of November, 1953.

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HOME BUILDING RISE: Boosted by further increases in November, residential construction set new records in the first 11 months of 1954, completions rising 6% and starts by 9% over the previous peaks in the corresponding 1953 period. In the 11 months starts also exceeded the full year 1953 by 5.6%. Starts rose 17% in November over the same month of 1953 and completions were up 6%. At the end of November the number of units under construction was 8.4% larger than in 1953.

November completions totalled 11,246 versus 10,608 a year earlier. This brought the cumulative total for the January-November period to 90,573 units versus 85,124 in the like 1953 period and 96,839 in the full year 1953.

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ARCTIC AIR TOUR: Twenty-eight high ranking officers of the Navy, Army, Air Force and civil Departments of Government last week flew across the icy stretches of Baffin Island and Hudson Bay, on a 20-day tour of North American defence and industrial installations. The group comprised members of the 1954-55 course at the National Defence College, Kingston, Ont.

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Canadian retail sales in November were down a moderate 0.7% from a year earlier. With decreases in all months of 1954 except March, cumulative sales for the January-November period fell 2%. The total value of sales in November was \$994,283,000 versus \$1,001,683,-000 a year earlier; bringing the 11-month total to \$10,700,719,000 versus \$10,921,897,000.

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Operating revenues of 17 railways in October amounted to \$91,798,098, down 9.6% from \$101,470,737 reported by 16 systems in the corresponding month of 1953.

MR. PEARSON'S STATEMENT ON FORMOSA

IN HOUSE OF COMMONS: "It remains the view of the Government that the final disposition of Formosa should be dealt with by international negotiation, at a conference, if you like, on Far Eastern Affairs, if one could be held," said the Secretary of State for External Affairs, Mr. Lester B. Pearson, in the House of Commons on January 25, in a statement on Formosa.

He was answering, specifically a question by the Leader of the CCF Party, Mr. M.J. Coldwell, and replying at the same time to a question asked the day previous by Mr. John Diefenbaker, Progressive Conservative Member for Prince Albert, Sask.

Mr. Pearson, after referring to the message sent to Congress by the President of the United States dealing with the situation in the Formosa straits, proceeded, in part:

DEEPLY CONCERNED

"Although we are not involved in United States commitments in this area, we are of course deeply concerned over the dangerous situation existing there and we, with other free Governments, are anxious that steps should be taken to bring to an end the fighting which has now been taking place for some time along the China coast.

"In this message the President of the United States referred to the possibility of action by the United Nations to bring about a ceasefire. The United Nations has, in Indonesia, Palestine and in other parts of the world, been successful in bringing to an end fighting which might have had dangerous consequences, and if it could achieve similar results in this case it would be a cause, I am sure, of great satisfaction to us all....

"While it is not proper for me to comment on United States policy in this matter which is now being considered by Congress, I think I can say that any move or proposal within the United Nations or through diplomatic channels which could serve to achieve the purpose as stated in the President's message 'to improve the prospects of peace in the area' will be warmly welcomed by the Parliament and by the people of this country.

"Before the Korean armistice I expressed on more than one occasion in this House the view of the Canadian Government that Formosa should be neutralized as far as possible while hostilities continued in Korea.

"We thought then, and we think now, that the final disposition of Formosa should be a subject to be discussed at a conference on Far Eastern problems which at that time we thought

might be held after the cessation of fighting in Korea. That was the view adopted by the political committee of the United Nations General Assembly on January 13, 1951.

"Despite developments since then, it remains the view of the Government that the final disposition of Formosa should be dealt with by international negotiation, at a conference, if you like, on Far Eastern problems, if one could be held. Certainly, in any decision regarding the future of Formosa the wishes of the people there, which are often forgotten in discussions of this matter, should be a primary consideration. Pending such a decision I think that a strong case can be made for the neutralization of Formosa both in order to prevent any assault upon it by Communist forces and also so that it will not be used as a base for invasion of the mainland.

"In this area of tension and danger a distinction can validly be made between the position of Formosa and the Pescadores and the islands off the China coast now in Nationalist hands. The latter are indisputably part of the territory of China; the former, Formosa and the Pescadores, which were Japanese colonies for fifty years prior to 1945 and had had a checkered history before that, are not.

COASTAL ISLANDS

"I suggest therefore that the considerations which recommend the neutralization of Formosa and the Pescadores do not necessarily apply to the coastal islands so close to the mainland and a hundred miles or so away from Formosa.

"Therefore, Mr. Speaker, I welcome that part of the President's message which looks to the redeployment of the Nationalist forces which are now in these islands.

"Some of these forces", the President's message states, 'are scattered throughout smaller off-shore islands as a result of historical rather than military reasons directly related to defending Formosa.'

"My understanding of the basis of a truce or ceasefire is that neither the Nationalists, the Government of China which we recognize, nor the Communists need be asked to give up their claims on the territory now held by the other side. What they would be asked to give up of course is the use of military means to achieve their aspirations. In other words, negotiations for a ceasefire need not involve any question of the final disposition of the territory in dispute; for in our view this is a suitable matter for international negotiation at a later date through the United Nations or otherwise...."



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WEEK'S EVENTS IN REVIEW

NOVEMBER EXPORTS UP: Canada's domestic exports in the first 11 months of 1954 were valued at \$3,490,800,000, 7.2% lower than the preceding year's corresponding total of \$3,761,600,000, according to the Bureau's monthly summary. The total value declined 7.7% in the first half of the year as compared with a year earlier and 6.6% in the July-November period. November's exports were valued at \$362,600,000, the highest monthly total since July 1953 and 3.4% above the November 1953 value of \$350,700,000.

Over the 11-month period the volume of exports averaged 4.6% lower than in 1953 and prices averaged 2.7% lower. In the first half of 1954 volume averaged 5.3% lower than a year earlier and 3.7% lower in the next five months, while prices averaged 2.5% lower in the first half and 3% lower in the January-November period. The rise in overall value of exports in November was the result of a 5.8% increase in volume which more than offset a 2.3% drop in prices.

Commodity-wise there were increases in the January-November period in the animal products, wood and paper, non-ferrous metals groups, but decreases in the other groups, more particularly in agricultural and vegetable products and iron products. In November there were increases in the wood and paper group, animals and animal products, and chemicals, but de-

creases in agricultural and vegetable products, iron and products and miscellaneous commodities.

Geographically, 11-month domestic exports were lower in value to all main areas. In November there were larger shipments to the United Kingdom, the United States and European countries, but smaller exports to the rest of the Commonwealth as a whole, Latin America and other foreign countries.

Domestic exports to the United States in the 11-month period declined to \$2,097,705,000 from \$2,199,713,000, decreases in agricultural and vegetable products, iron and products, non-ferrous metals, non-metallic minerals and miscellaneous commodities outstripping increases in animals and animal products and wood and paper products. In November there was a moderate rise to \$207,144,000 from \$200,671,000, a large increase in wood and paper, coupled with lesser gains in animals and animal products, iron and products, non-ferrous metals, and chemicals, outweighing a sharp decline in agricultural and vegetable products.

Exports to the United Kingdom in the January-November period were down to \$575,583,000 from \$617,908,000, mainly due to decreases in agricultural and vegetable and iron products, which more than offset increases in the wood and paper and non-ferrous metals groups. Large increases in the agricultural and vegetable

(C.W.B., January 21, 1955)

products and wood and paper groups more than offset a sharp decrease in non-ferrous metals to raise November exports to \$70,434,000 from \$55,629,000.

Eleven-month exports to all other Commonwealth countries declined to \$178,702,000 from \$219,402,000 and in November to \$17,515,000 from \$18,172,000. Shipments were lower in value both in the month and cumulative period to the Union of South Africa and Pakistan but higher to New Zealand. Exports to India were lower in the 11 months but higher in November, and higher to Australia in the 11 months but lower in November.

Exports to Latin American countries in the 11 months dropped to \$168,009,000 from \$183,-242,000 and in November to \$14,878,000 from \$20,311,000.

Exports to European countries in the January-November period fell to \$306,882,000 from \$349,058,000 in the corresponding 1953 period but in November climbed to \$38,484,000 from \$34,977,000. There were smaller exports in the 11 months but larger shipments in November to Belgium and Luxembourg, Italy, Netherlands and Switzerland. Exports to the Federal Republic of Germany and Norway increased in the 11 months but declined in November.

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LUMBER OUTPUT: Production of sawn lumber in 1954's January-October period was 5.3% higher in British Columbia than a year earlier and Saskatchewan's output rose 22.9%. There were declines in the other provinces ranging from 2.5% in Nova Scotia to 35.7% in New Brunswick. In October there were increases of 26% in British Columbia, 57.5% in Nova Scotia and 3.3% in New Brunswick, but declines in the other provinces ranging from 5% in Québec to 42% in Prince Edward Island and Manitoba.

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WAGES UP: Hourly and weekly averages of earnings in manufacturing were higher in the week ending November 1, according to advance figures released by the Dominion Bureau of Statistics. The Canada average of weekly wages was \$57.84 versus \$57.70 a month earlier and hourly earnings averaged 140.4¢ versus 139.7¢. The work-week averaged 41.2 hours versus 41.3.

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PIPED OIL INCREASE: Net deliveries of oil through Canadian pipe lines in October amounted to 14,824,697 barrels, up 15% from the preceding year's corresponding total of 12,925,109 barrels. This brought cumulative deliveries for the January-October period to 141,628,549 barrels, up 18% from 119,985,808 a year earlier.

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There were 60 federal Government libraries at last count and they had 1,738,838 volumes on their shelves.

DEFENCE RESEARCH MEMBER, WASHINGTON: Dr. J. J. Green, of Ottawa, British-born aeronautical engineer and Chief of the Defence Research Board Division concerned with armaments and aeronautics, will assume the post of Defence Research Member, Canadian Joint Staff, Washington, on the retirement this summer of Brig. Harold E. Taber.

As DRB's senior liaison officer in the United States, one of his chief duties will be to promote and maintain between Canada and the U.S.; an increasing flow of scientific information about defence projects, particularly in the expanding fields of aircraft and guided weapons.

Fellowship in the Institute of the Aeronautical Sciences and other U.S. organizations, in addition to his past and current activities relative to aircraft and guided missile development in Canada, provided Dr. Green with an unusually wide knowledge of U.S. techniques in these fields and a valuable acquaintanceship with the scientists and engineers concerned.

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FARM INCOME DROP: A preliminary estimate by the Dominion Bureau of Statistics places the cash income of Canadian farms last year from the sale of farm products and from participation payments on previous years' Prairie grain crops at \$2,408,600,000. This is about 12% below the estimated cash income of \$2,741,300,000 in 1953 and approximately 15% under the all-time high cash income of \$2,826,600,000 in 1952.

Supplementary payments made under the provisions of the Prairie Farm Assistance Act amounted to \$2,427,000, up from \$1,572,000 in 1953 and down from \$5,131,000 in 1953.

Last year's drop in farm income is due in large part to the substantial reductions in returns from the sale of wheat. There were also fairly substantial reductions in grain participation payments and in receipts from the sale of coarse grains and eggs. These declines were offset to some extent by higher income from the sale of live stock, poultry meat and dairy products.

Provincially, the reduction from 1953 in farm income was confined to the three Prairie Provinces, the Bureau's preliminary estimates showing marked decreases for each with the largest decline for Saskatchewan. All other provinces had gains over the previous year. Compared with 1953, cash income was lower in 1954 in all provinces except Nova Scotia and Ontario.

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New Brunswick has entered into an agreement with the federal Government for the implementation of the federal-provincial plan for providing allowances for disabled persons in accordance with the provisions of the Disabled Persons Act, it was announced on January 17.

LABOUR INCOME SETS RECORD: Labour income received by Canadian wage and salary earners in October reached a new high monthly total of \$1,036,000,000, up \$6,000,000 from September's \$1,030,000,000, and \$14,000,000 or 2.4% larger than the preceding year's corresponding total of \$1,012,000,000. For the January-October period the total rose 1.9% to \$9,857,000,000 from \$9,677,000,000.

There were increases both in the month and cumulative period in labour income in agriculture, forestry, fishing, trapping and mining; utilities, transportation, communication, storage and trade; finance and services; and supplementary labour income. Declines were posted for manufacturing and construction.

October's totals follow by groups, in millions: agriculture, forestry, fishing, trapping, mining, \$86 (\$78 a year earlier); manufacturing, \$323 (\$333); construction, \$82 (\$83); utilities, transportation, communication, storage, trade, \$265 (\$257); finance, services, \$244 (\$226); and supplementary labour income \$36 (\$35).

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NORTHLAND GOVERNMENT: The job of governing Canada's northland is being shared to an increasing degree by the people who live there.

While the nine-man Council of the Northwest Territories meets in Ottawa on Monday, January 17th, elected representatives comprise almost half its numerical strength.

This is the first time that Council has met since elections were held in the Mackenzie District last September. Then, some 6,000 voters including, of course, Indians and Eskimos chose four members to represent them on the governing body of the North. A new and broader geographical distribution increased the original three electoral ridings, created in 1951, to four.

The enlarged Council reflects the trend of northern development. A growing population has created the need for wider opportunities in education and vocational training, more social and health services, new approaches to community planning, as fresh areas open up and settlement extends farther north.

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Field Marshal Viscount Alanbrooke, KG, GCB, OM, GCVO, DSO, Master Gunner, St. James Park, and wartime Chief of the Imperial General Staff, is to arrive in Montreal March 22 to begin his two-week visit to Canada. He is coming at the invitation of the Royal Canadian Artillery Militia units of Montréal.

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Grocery and combination chain store sales increased nearly 13% in November as compared with a year earlier, variety stores by 4.2%, women's clothing stores 3% and shoe stores 0.3%. Hardware and drug store chain sales decreased 2.8%.

WARSHIPS' VISITS: Canadian warships will visit India and Pakistan for the first time next month when the destroyers Huron and Iroquois pay formal calls at Bombay and Karachi on their way home from the Far East.

The two ships, which have just completed abbreviated tours of duty with United Nations naval forces in Korea, leave Hong Kong, January 15, for Halifax.

The destroyers will make informal calls at Singapore, from January 19 to 25; at Colombo, Ceylon, January 29 to February 3, and at the Indian naval training base at Cochin on February 4 before making their formal visits to Bombay, February 7 to 13, and Karachi, February 15 to 20.

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PROVINCIAL LABOUR STANDARDS: Publication of the 1954 edition of "Provincial Labour Standards", prepared by the Legislation Branch of the federal Department of Labour, was announced on January 14, by Mr. Milton F. Gregg, Minister of Labour.

This edition of the bulletin sets out the standards in effect in the Provinces of Canada with respect to child labour, holidays, hours of work, minimum wages, weekly rest-day and workmen's compensation and, for the first time, the requirements of equal pay and fair employment practices laws which since 1951 have been enacted in some Provinces.

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POPULATION 15,410,000: Canada's population increased by 97,000 in the three months from September 1 last year to bring it to 15,410,000 at December 1, according to the Bureau's quarterly estimate.

This total compares with an estimated 15,005,000 at December 1, 1953, making a gain of 405,000 or 2.7% in the twelve months. Estimated increase for the previous twelve months was 381,000 or 2.6% and for the corresponding period ending December 1, 1952, was 396,000 or 2.8%.

The estimated gain in the months of September to November last year compares with 112,000 in the corresponding period of 1953, and was at an annual rate 2.6% as against 3%. The smaller gain last year was due to fewer immigrant arrivals. In contrast, the increase in the preceding three months of 1954 was at a record level of 118,000.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat on December 29 totalled 355,114,000 bushels, moderately larger than the 350,144,000 bushels of a week earlier, but 6% smaller than last year's 378,897,000 bushels. Deliveries of wheat from farms in the Prairie Provinces during the week were cut to 8,444,000 bushels from 12,331,000 a year ago and overseas export clearances dropped to 2,081,000 bushels from 2,932,000.

EXERCISE "BULL DOG III": Members of the Army and RCAF Mobile Striking Force will move into the Canadian sub-Arctic in February for the second major joint training exercise of the winter, Defence Minister Ralph Campney announced January 18.

Exercise "Bull Dog III" will be conducted in the Yellowknife area of northwestern Canada between February 23 and March 8. The manoeuvres call for an airborne assault by troops and planes against the airfield and installations at Yellowknife, 610 air miles north of Edmonton.

"Bull Dog III" has been planned on the theory that an enemy force has landed in the sub-Arctic and has taken over the airfield at Yellowknife. A similar problem was set in the Churchill, Man., area in the recent Exercise "Bull Dog II".

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CHEQUE CASHINGS RISE: Cheques cashed in Canadian clearing centres in November totalled \$14,045,000,000, nearly 5% above the preceding year's \$13,425,000,000. This put the total for the first 11 months of 1954 at \$138,950,000,-000, 7% larger than 1953's January-November total of \$129,630,000,000.

Increases were shown both in the month and cumulative period in the Atlantic Provinces, Quebec and Ontario. Prairie Province totals were down from a year earlier, while in British Columbia there was a decrease in the month but a small increase in the cumulative period.

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INVESTMENT IN INVENTORY: Manufacturers' investment in inventory in November totalled \$3,418,400,000, down from October's \$3,424,-000,000 and 1953's corresponding total of \$3,-595,300,000, according to preliminary figures.

Showing the first increase in 1954 the value of shipments in November rose 1% over both the preceding month and November, 1953.

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DRB MEMBER: Mr. Reginald M. Brophy, of Toronto, prominent industrialist and former Deputy Minister of the Department of Defence Production, has accepted an appointment as a Member of the Defence Research Board, it was announced January 14. Mr. Brophy succeeds Mr. A. Hartley Zimmerman, former DDP representative on the Board, named recently as DRB Vice Chairman.

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GOLD PRODUCTION UP: Canadian production of gold climbed to 379,521 fine ounces in October, from 373,889 in the preceding month and 284,868 in October, 1953, according to the Bureau's monthly statement. This brought the cumulative total for the January-October period to 3,595,951 fine ounces versus 3,520,591 a year earlier.

EMPLOYMENT REPORT: The usual decrease in employment took place during December, but at a much slower rate than a year earlier. In the week ending December 11, 1954, a total of 5,-167,000 people held jobs, 36,000 fewer than in November, but 51,000 more than a year earlier. The civilian labour force also showed an increase of 107,000 during the year so that unemployment continued above the comparable 1953 levels, the Department of Labour announced on January 19.

Employment during December remained high in the logging, mining, trade and service industries. Seasonal declines occurred in agriculture, construction, transportation and some manufacturing industries. Activity in some of the durable goods manufacturing industries has recently strengthened and this trend continued in December.

The strike of about 8,000 workers in Ford plants at Windsor, Oakville and Toronto, however, caused some new lay-offs in December and prolonged others in related industries in Ontario. Labour surpluses in most local markets increased during the month.

At January 1, 1955, 34 areas were in the substantial labour surplus category compared with 36 a year ago; 67 were in the moderate surplus category compared with 54; and eight were in balance compared with 19 a year earlier.

The civilian labour force totalled 5,414,-000 in the week ended December 11, 1954, compared with 5,417,000 in the week ended November 20, 1954.

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WHOLESALE SALES RISE: Sales of wholesalers in nine lines of trade in November averaged 6.9% above the corresponding month in 1953 and the value of month-end inventories was up a moderate 0.2%. The general index of sales, on the 1935-39 base, stood at 385.3 versus 361.7.

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TO RETIRE AS T. S. ORCHESTRA CONDUCTOR: Sir Ernest MacMillan, conductor of the Toronto Symphony Orchestra for 25 years, will resign at the end of next season provided a satisfactory successor has been found, he announced in Toronto this week.

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In a single generation tuberculosis has dwindled dramatically as a cause of death among Canadians. Although 1,800 died of TB in 1953, an additional 10,000 would have died if the death rate of 25 years ago had still prevailed.

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Domestic disappearance of cheese (including process cheese) in Canada in 1953 worked out at six pounds per capita, almost as high as that of Australia and higher than that of New Zealand.

TAXATION PLAN: The Prime Minister Mr. St. Laurent, made a statement in the House of Commons on January 17 about the developments resulting from the imposition of a provincial income tax in the Province of Quebec and announced the federal Government's plan for new federal-provincial income tax arrangements pending the results of a new federal-provincial conference.

After referring to his meeting with the Premier of Quebec in Montreal on October 5, Mr. St. Laurent outlined some of the problems concerned with the subject, and said:

"I have, accordingly, advised the Premiers of all the Provinces that we propose, pending the results of a new federal-provincial conference, to ask Parliament to amend the federal income tax law in order to make a reduction of 10 per cent for all taxpayers of any province where a provincial income tax is levied on income for the years 1955 and 1956. At the same time we will ask Parliament to release from its present tax rental agreement any province which would prefer the new arrangement."

DEDUCTION

"We also intend to propose that income tax payers who have actually paid a provincial income tax on their 1954 income be allowed a deduction up to 10 per cent of their federal tax. In practice, of course, this higher deduction for 1954 will be applicable only to taxpayers who have paid the Quebec income tax because no other province had a provincial income tax in operation in 1954.

"In any case the figures already available make it clear that the rentals for the personal and corporation income tax fields in every province for 1954 will be greater than the amount the provincial Governments could have raised from a 7 per cent tax on corporation incomes and a personal income tax equal to 10 per cent of the federal tax.

"These proposed amendments are intended only as a stop-gap arrangement pending the conclusion of any long term arrangements for the period following the expiry of the present tax rental agreements.

"As hon. members know it had always been understood that it would be necessary to hold a federal-provincial conference before the end of 1955 to discuss fiscal arrangements for the years which will follow.

"In the light of the recent developments, it may be the desire of the provincial governments to have this conference held at an earlier date. I have addressed letters to the Premiers of all the Provinces outlining the proposal I have just mentioned and inviting the nine Provinces which have tax rental agreements to indicate whether they would prefer to take advantage of the proposed new arrangement. In these letters I have indicated that shortly after my return from the Commonwealth Prime Ministers' meeting in London I shall communicate with them further with the view to

working out arrangements for a conference at a time which will be satisfactory to all governments concerned.

"I should like now to table the letters I have exchanged with the Premier of Quebec and the letter I addressed to the Premiers of the other nine Provinces."

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PAKISTAN'S PRIME MINISTER HERE: The Department of External Affairs announced on January 19 that Prime Minister Mohammed Ali of Pakistan will arrive in Ottawa on January 24 for a visit as a guest of the Canadian Government. The Prime Minister of Pakistan will be the guest of His Excellency, the Rt. Hon. Vincent Massey, C.H., Governor General of Canada at Government House until January 26, when he will move to the residence of the High Commissioner of Pakistan and Mrs. O.A. Baig. He will leave January 27, for New York.

The Prime Minister of Pakistan will arrive on January 24 from New York by train. He will be welcomed at the Union Station by the Rt. Hon. Louis St. Laurent, Prime Minister of Canada, Mr. Lionel Massey, representing the Governor General, His Excellency Mr. Baig, members of the Canadian Government, diplomats and other dignitaries. Prior to departure from the station for Government House, he will review an RCAF guard of honour.

PRESS CONFERENCE

That afternoon the Prime Minister of Pakistan will hold a press conference in the main Conference Room of the East Block.

On the morning of January 25, Prime Minister Mohammed Ali will call on Mr. St. Laurent and will be the guest of honour at a luncheon at the Prime Minister's residence. That evening His Excellency the Governor General will entertain at dinner at Government House in his honour.

The High Commissioner of Pakistan will accompany Prime Minister Mohammed Ali, January 26, for a call on the Secretary of State for External Affairs.

In the evening the Prime Minister of Pakistan will entertain His Excellency the Governor General at the residence of the High Commissioner. Later a reception will be held by the Prime Minister of Pakistan at the Rideau Club.

Prime Minister Mohammed Ali will leave January 27, for New York enroute to London where he will attend the Commonwealth Prime Ministers' Conference.

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Gross factory value of shipments of 226 establishments comprising the miscellaneous leather products industry in 1953 climbed to \$26,258,000 from the preceding year's \$25,692,000. The number of employees rose to 4,674 from 4,535 and their salaries and wages to \$9,594,000 from \$8,970,000.

1954 INDUSTRIAL DISPUTES: Almost 70 per cent of the total time loss arising from industrial disputes in Canada during 1954 occurred in the last four months of the year, according to a preliminary summary of strikes and lockouts for 1954 released Jan. 19 by the Minister of Labour.

Total time loss from industrial disputes in 1954 was 0.15 per cent of the estimated working time of non-agricultural wage and salary workers in Canada, as compared with 0.13 per cent during 1953.

Preliminary figures for 1954 showed 168 strikes and lockouts involving 61,477 workers with a time loss of 1,472,160 man-working days, as compared with 55,988 workers involved in 174 work stoppages with a time loss of 1,324,715 days in 1953. The peak year was 1946 when there were 228 strikes and lockouts involving 139,474 workers and a time loss of 4,516,393 man-working days.

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Value of products shipped by Canada's process cheese industry in 1953 reached an all-time high figure of \$27,271,000, up 7% from the preceding year's \$25,483,000. Material costs climbed to \$21,734,000 from \$20,-347,000, employees to 1,070 from 1,050 and the salary and wage bill to \$3,064,000 from \$2,-817,000.

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Department store sales in December rose 7.9% over the corresponding month of 1953, according to the Bureau's monthly preliminary release. All provinces shared in the advance except Saskatchewan where there was a decrease of 2.5%.

CANADIAN PAINTINGS DISPLAY: Sponsored by the Ontario Government, one of the biggest exhibitions of Canadian paintings ever seen in Britain, including canvases owned by the Queen and Prime Minister Churchill, is being opened in London this week by Field Marshal Earl Alexander. It is being shown until February 4. The display comprises 142 paintings.

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RCAF CONFERENCE: Top ranking Air Force officers from Europe, Washington, D.C., and across Canada, gathered in Ottawa, January 18, for the annual Air Officer's Commanding Conference.

Under the chairmanship of the Chief of the Air Staff, Air Marshal C. Roy Slemon, the group reviewed RCAF plans for the coming year and discussed major problems associated with these plans.

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A map showing the oil and gas fields of Saskatchewan and the Province's potential oil and gas areas has been published by the Geological Survey of Canada, the Minister of Mines has announced. Drawn on a scale of 20 miles to the inch, the new map also shows the oil fields of southwestern Manitoba where drilling during the past year has proved so successful.

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Gross value of production of Canada's rubber products industry rose in 1953 to \$290,-735,000 from \$286,655,000 in the preceding year but declined 6.7% from all-time high \$311,-678,000 in 1951, according to the Bureau's annual industry report.

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CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

OPENING OF PARLIAMENT: Measures to provide more jobs for workers and to improve unemployment benefits were forecast in the Speech from the Throne with which the Governor General, Mr. Massey, opened the Second Session of the 22nd Parliament on January 7.

The traditional ceremonies, held in the Senate Chamber, were televised for the first time in Canadian Parliament history and would be viewed ultimately by an estimated 5,000,000 Canadians.

The Speech from the Throne customarily reviews important events of the year past and touches on the Government's intended legislative programme, although it does not necessarily announce all of it. The programme of legislation at this session is expected to be the heaviest of recent years.

Commencing with mention of the visits of Her Majesty, Queen Elizabeth, the Queen Mother, and the Duke of Edinburgh, the Speech touched on the menace of war, the London and Paris Conferences and the participation of the Canadian delegation in the United Nations General Assembly deliberations in the following paragraphs:

"While there is hopeful evidence that the increasing strength of the free world has lessened the likelihood of aggression, the terrible destruction that war would bring to North America and indeed to all mankind has

been magnified by the increase in the number and effectiveness of atomic and thermonuclear weapons and the means of delivering them.

"My Ministers are convinced that, while the resources of diplomacy must never be neglected in the search for peace, the efforts of the free nations in building their deterrent forces must be maintained. To this end, Canada was represented at the London and Paris Conferences which formulated an alternative to the European Defence Community and provided for the entry of the Federal Republic of Germany into the North Atlantic Treaty Organization. You will be asked to approve the agreements reached at those meetings.

"Our country continues to give full support to the United Nations. The Canadian Delegation took an important part in the deliberations of the recent meeting of the General Assembly in New York. It is earnestly hoped that the adoption of the resolution on disarmament introduced in the political committee by the Canadian Delegation may lead to agreement on an effective system of international safeguards."

It proceeded with references to the lessening of the threat of renewed aggression in Korea and Canada's acceptance of the heavy responsibility of serving on the Armistice Commissions formed to supervise the restoration of peace in the Associated States of Indo-China.

Of the national economy and impending legislation, it said:

"Although the national economy is in a generally healthy condition, the relatively poor wheat crop is being reflected by a small decline in the total national income. Some unemployment of a regional and seasonal nature is being experienced. To help meet this situation work on public construction projects already approved is being accelerated and you will be asked to make financial provision for construction in the programmes of various departments and agencies on a scale that will make possible a substantial increase in the total expenditures for this purpose.

"The Government proposes to introduce legislation immediately for the amendment of the Unemployment Insurance Act to provide for an increase in the duration and scale of supplementary winter benefits. It is also proposing to introduce, during the session, broader amendments designed to make Unemployment Insurance a more effective instrument in providing financial support to unemployed workers. . . ."

OTHER LEGISLATION

The Speech also announced Government plans that included provisions for home improvement loans, Government-backed loans to fishermen, improved pensions to the blind and allowances to war veterans, changes in federal grants to some municipalities, aid to marginal gold mines, amendments to the Electricity and Fluid Exportation Act; and said, "a measure to control works which affect the normal flow of rivers which cross the international boundary will be proposed for the purpose of ensuring that natural resources are developed in the best interests of the Canadian public."

Details of these items of intended legislation, as well as others listed, will be given later in Parliament.

In the debate on the Address in reply to the Speech from the Throne, taken up by the Acting Leader of the Opposition, Mr. W. Earl Rowe, in the House on Monday, January 10, the Progressive Conservative and C.C.F. Parties submitted motions of non-confidence in the Government.

The Progressive Conservative motion, with which Mr. Rowe concluded, proposed the addition of the following to the Address:

"We regret that Your Excellency's advisers have failed to take or to recommend the necessary measures:

(a) to retain and expand Canada's markets abroad for our production, particularly of wheat and other products;

(b) to solve the urgent problem of unemployment;

(c) to relieve Canadian taxpayers from the burden of excessive taxation and thereby enable Canadian producers to lower their cost of production and to meet increasing competition;

(d) to eliminate waste and extravagance in Government and improve its efficiency;

(e) to facilitate and encourage the processing of our natural resources in Canada, and thereby increase opportunities and employment for Canadians;

(f) in co-operation with the Provinces to develop an effective contributory plan which will assure that every Canadian will have adequate hospital and medical services."

Mr. M. J. Coldwell, Leader of the C.C.F. Party, after a brief speech, proposed an amendment to the amendment to have the House declare that the Government has "deliberately returned to the policy of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment of the prewar years, and that Your Excellency's advisers have failed to undertake the economic planning necessary to cope with the serious problems now facing the Canadian people."

THE PRIME MINISTER

The Prime Minister, Mr. St. Laurent who followed Mr. Rowe, made a brief reference to Canadian trade policy in discussing the clauses of Mr. Rowe's amendment. On that topic he said in part:

"Here we all feel that expanding trade is desirable. We feel that it is almost necessary to the prosperity of the Canadian people, but we do not feel that it would be by high tariffs that expanding trade could be achieved in this country.

"It is perhaps unfortunate that the production costs of some of our commodities happen to be greater than those of other commodities from abroad that could be imported into this country. But it is nevertheless quite true that foreign trade must flow in both directions, and that you cannot have high exports unless you have at the same time high imports or extend credit or aid in the form of Canadian currency to enable our domestic producers to receive payment for their exports.

"The hon. gentleman has said that Canada has lost the United Kingdom market for the second time in his own period of political experience. There has been no loss of the United Kingdom market. There is no less desire in the United Kingdom to take goods from Canada than there was at any time, but it has so happened that, although the situation of the United Kingdom is improving and has been improving constantly and steadily, there is still a shortage of dollars that limits the quantities of Canadian goods they can import and for which they could provide the currency required. . . .

"Our Government, and I am sure the same would be true of any Government made up from the hon. gentleman's party, does not attempt to dictate to the Canadian people the sources from which they will take their supplies and does not attempt to dictate to them where they will, if they can, sell those products that they have for export.

"We do our best to facilitate external trade, but we do not attempt to handle external trade through any Government organization, with the exception of the Wheat Board, set up at the request of the wheat producers themselves and managed for their benefit and to a large degree under their direction.

"The world situation is one over which no strong fiscal policy, as I understood the hon. gentleman to envisage the one he had in mind, to prevent the entering of goods from areas in which they are produced at less cost than they can be produced here, would have very much beneficial effect. . . ."

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AIR AGREEMENT WITH JAPAN: The Department of External Affairs announced on January 12 that an Air Transport Services Agreement between Canada and Japan was formally signed on that day in Ottawa. His Excellency, Dr. Koto Matsudaira, the Ambassador of Japan, signed the Agreement on behalf of his Government, while Mr. L.B. Pearson, the Secretary of State for External Affairs, and Mr. George C. Marler, the Minister of Transport, signed on behalf of Canada. The Agreement, which was negotiated in Tokyo and initialled there on November 24, 1954, will come into force when it has been approved by both Canada and Japan in accordance with their respective constitutional procedures.

The Agreement will enable a Canadian airline to operate an international air service between Vancouver, Tokyo, and Hong Kong via the great circle northern Pacific Route. A Japanese airline will in return be allowed to operate an international air service on a similar route between Tokyo and Vancouver and other points to the south. Full traffic rights at Tokyo and Vancouver will be exchanged reciprocally under the Agreement.

At present Canadian Pacific Airlines operates a Vancouver-Tokyo-Hong Kong service on a temporary basis, and it will be the Canadian airline designated under the Agreement. A Japanese airline will be designated by the Government of Japan in due course, when it is ready to operate the northern Pacific route set out in the Agreement. Japan Air Lines now operates a trans-Pacific air service between Tokyo and San Francisco.

The Air Agreement is the second important bilateral agreement concluded between Canada and Japan since the San Francisco Peace Treaty. The first was the Agreement on Commerce which was signed in March 1954. These two Agreements, one promoting trade and the other improving communications, should serve to bring about closer relations and thereby strengthen the bonds of friendship existing between Canada and Japan.

PROVINCIAL FINANCES: Net general revenues and expenditures of Provincial Governments of Canada reached new peaks in the year ended March 31, 1953, according to the Dominion Bureau of Statistics. Net general revenues totalled \$1,258,000,000, an increase of \$181,000,000 over the preceding year, and net general expenditures amounted to \$1,207,000,000, an increase of \$133,000,000.

Taxes accounted for about 39% of total revenues, federal tax rental agreement for 24%, and liquor profits for 10%. The greater part of total Provincial Government expenditures went for transportation and communication (30%), education (18%), and health (16%).

The 1947 Tax Rental Agreements expired on March 31, 1952. Similar agreements covering the next five years were made with the Provinces which had signed the 1947 agreements. The Government of the Province of Ontario signed a 1952 agreement leasing personal and corporation income taxes and special taxes while retaining the right to levy succession duties. During the year the Provinces received the final payment under the 1947 agreement as well as the first four quarterly payments under the 1952 agreement.

OLD AGE ASSISTANCE

On January 1, 1952, the Government of Canada assumed full responsibility for pension payments to all persons aged 70 years and over and agreed to contribute 50% of not more than \$40 per month towards Provincial Government pensions to needy persons aged 65-69 years and 75% of not more than \$40 per month towards Provincial Government pensions to the blind. This shift in responsibility for old age pensions resulted in a decrease in 1952-53 of nearly \$70,000,000 in provincial gross ordinary expenditure on aid to aged persons.

Revenues from taxes decreased to \$487,000,000 from \$566,000,000 in the preceding year. Federal tax rental agreement revenues increased to \$303,000,000 from \$96,000,000. The decrease in taxes as well as the increase in revenues under the federal tax agreement are largely due to the entry of Ontario into the group of agreeing Provinces under the rental agreements Privileges, licenses and permits accounted for \$281,000,000 (\$228,000,000 in 1951), and liquor profits for \$126,000,000 (\$115,000,000).

Net general expenditures on transportation and communication increased to \$367,000,000 from \$299,000,000 the year before, on education to \$221,000,000 from \$196,000,000 and on health to \$192,000,000 from \$174,000,000.

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According to the latest estimates Canada possesses 397,313,000 cubic feet of merchantable timber, of which about two-fifths are considered accessible to commercial operations at the present time.

AID FOR INDIA: The Department of External Affairs announced on January 11 that representatives of the Governments of India and Canada had completed an exchange of notes in New Delhi providing for the allocation of \$3.3 million of Canadian Colombo Plan aid to a proposed hydro-electric scheme on the Umtru River in Assam.

The project is designed to hasten economic progress in the Indian State of Assam. The new power to be generated will in part be used for irrigation and drainage thus allowing new land to be brought under cultivation. Some of the new power will also be used in existing small industries, while it is hoped that the growth of new industries, which will supplement the low income of the local people, will be stimulated.

Part of the contribution of the Canadian Government will take the form of engineering services and hydraulic, electric and other equipment costing approximately \$1.2 million. The Government of Canada will also help to meet the local costs of labour and materials to the extent of \$2.1 million in counterpart funds derived from the sale by the Indian authorities of industrial raw materials provided by Canada under the Colombo Plan. The project will be carried out by the appropriate authorities of the State of Assam in consultation with Canadian engineers appointed by the Government of Canada.

About \$100 million has been made available by Canada for economic development assistance to South and South-East Asia in the first four years of the Colombo Plan. Agreement on the Umtru project brings the total so far allocated to India to about \$49 million.

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CONSUMER CREDIT: Retail cash, charge and instalment sales in the third quarter of 1954 showed seasonal declines from the preceding three-month period, according to the Bureau's quarterly report on retail consumer credit. Comparisons with 1953's third-quarter indicate an increase of 4.3% in instalment sales, a decrease of 1.6% in cash sales and a drop of 4.5% in charge sales.

Third-quarter cash sales totalled \$2,072,-200,000 versus \$2,126,300,000 in the preceding quarter and \$2,105,900,000 in the 1953 third quarter. Instalment sales in the third quarter of 1954 were \$329,600,000 versus \$372,200,000 in the April-June period and \$316,100,000 a year earlier. Charge sales in the 1954 third quarter totalled \$543,000,000 versus \$584,200,-000 in the second quarter and \$568,500,000 in the July-September period of 1953.

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An estimated 55% of the households in Canada have automobiles, according to a sample survey taken last September by DBS. Of these, 178,000 or 9% have two or more cars - about 5% of all the homes in the country.

ARCTIC OCEAN RESEARCH: Canadian and United States scientists penetrated far inside the Arctic Circle in 1954 in a joint effort to learn more of the secrets locked in the great water areas north of the Canadian mainland.

According to the annual report of the Canadian Joint Committee on Oceanography, presented at the annual meeting of the Fisheries Research Board of Canada in Ottawa last week oceanographic surveys were made for the first time of the lonely ice-strewn waters around the northern shores of islands comprising the District of Franklin.

The information obtained on water temperatures, salinities, currents and other physical features of the sea-scapes, when analysed and added to previously-obtained data in other areas, will make an important contribution to the rapidly growing fund of knowledge being accumulated on Canada's far north.

The Royal Canadian Navy's modern icebreaker and research ship "Labrador" and two United States vessels "Burton Island" and "Northwind" were used. The "Labrador" ventured into Baffin Bay as far north as Smith Sound, 800 miles from the North Pole, to obtain oceanographic data and then made the historic northwest passage to return to her base via Bering Strait, the Pacific Ocean and the Panama Canal.

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STORE SALES RISE: Canadian department stores sold an estimated \$119,231,000 worth of merchandise in November, 5.7% more than the \$112,794,000 worth sold in the same month in 1953, the Dominion Bureau of Statistics reports.

Store sales were higher in November 1953 in all but two regions. In British Columbia sales rose 10.8% to \$18,466,000 from \$16,666,000, in Quebec 10.6% to \$21,431,000 from \$19,377,000, in the Atlantic Provinces 9.9% to \$9,821,000 from \$8,936,000, in Ontario 7.2% to \$41,844,000 from \$39,034,000, and in Manitoba 0.7% to \$11,011,000 from \$10,935,000. Sales in Saskatchewan fell 15% to \$5,866,000 from \$6,901,000, and sales in Alberta 1.4% to \$10,792,000 from \$10,945,000.

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AUTO PRODUCTION DROPS: Production of motor vehicles in the year 1954 totalled 350,068 units, according to advance figures released by the Dominion Bureau of Statistics. This was a drop of 28% from the 1953 output of 484,594 units. December production dropped 27% to 26,065 units from 35,483 in the same month of 1953.

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An estimated 820,000 Canadian homes had TV sets last September, or about 22% of the country's households. There were some in every province, but the bulk were in Ontario (478,000) and Quebec (266,000).

OCTOBER IMPORTS DOWN: Value of Canada's commodity imports declined 7% in October and slightly over 8% in the first 10 months of 1954 as compared with a year earlier, according to final figures on the month's imports by the Bureau. Total value for October was \$333,100,000 versus \$358,300,000 a year ago, bringing the January-October total to \$3,384,400,000 versus \$3,693,000,000.

A 5.5% drop in volume was the main factor in reducing the total value of imports in October, prices being down 1.4%. In the January-October period, volume averaged 8.5% lower than in 1953 but prices were slightly higher.

Imports were lower in value both in October and the 10-month period from the United States, the United Kingdom and Latin American countries as a group, but higher from other Commonwealth countries as a whole, European countries and the remaining group of foreign countries.

Among the main commodity groups there were increased values for agricultural and vegetable products, non-ferrous metals and products, and chemicals and allied products. Among the larger decreases were iron and products and non-metallic minerals and products. In the 10-month period, two-groups - agricultural and vegetable products and wood and paper - rose in value, largest decreases occurring in fibres and textiles, iron and products, non-ferrous metals and non-metallic minerals.

FROM UNITED STATES

October imports from the United States fell to \$234,864,000 from \$258,252,000 and in the 10-month period to \$2,444,859,000 from \$2,729,948,000. Over the 10-month period all group values were lower except those for agricultural and vegetable products and wood and paper, the largest decreases being in fibres and textiles, iron and products, and non-metallic minerals.

Purchases from the United Kingdom dropped in October to \$31,520,000 from \$36,782,000 a year earlier and in the 10 months to \$332,163,000 from \$376,188,000. A large part of the decrease in the 10 months occurred in fibres, textiles and products and iron and products.

October imports from all other Commonwealth countries rose to \$18,955,000 from \$18,418,000 in the corresponding month in 1953 and in the 10-month period to \$152,567,000 from \$144,347,000.

Purchases from Latin American countries were lower in value both in October and the 10-month period. The month's value was \$21,894,000 versus \$22,169,000, bringing the 10-month total to \$236,218,000 versus \$242,693,000. Imports from Venezuela - largest source of supply - were slightly lower in October but higher in the 10-months.

Imports from European countries climbed in October to \$17,576,000 from \$16,179,000 and in the 10 months to \$145,850,000 from \$141,961,000. There were increased purchases in the month and cumulative period from the Federal Republic of Germany, Italy and the Netherlands, but reduced imports from Belgium and Luxembourg and Switzerland.

From the remaining group of foreign countries imports were valued in October at \$7,198,000, up from \$5,859,000, raising the cumulative total to \$60,455,000 from \$50,720,000. Japan and the Netherlands Antilles accounted for most of the increase. Purchases from Lebanon declined.

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SALMON WEALTH: After half a century of intensive fishing the salmon of British Columbia continues to provide enormous yields which account for some \$40,000,000 a year to the fishing industry.

Dr. A.W.H. Needler, director of the Pacific Biological Station, Nanaimo, B.C.; reported, however, to the Fisheries Research Board of Canada's annual meeting in Ottawa that more precise knowledge was necessary to keep salmon stocks at their maximum production.

To acquire a better understanding of what is necessary to keep the British Columbia salmon fishery at its peak, Dr. Needler said that the number of young salmon produced by known numbers of spawners have been and are being studied in several British Columbia streams and lakes with varying conditions. Emphasis is being placed on sockeye salmon, with the pink and chum species next in research importance. In 1954, 9,500,000 sockeye were caught by British Columbia fishermen.

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GENTLER PARACHUTE: Paratroopers of the Canadian Army will "hit a new kind of silk" when they make their next continuation training jumps this month.

The new 'chute almost completely eliminates the opening "jerk" and oscillation while in the air. The rate of descent is considerably slower with the result that landings are much more gentle. It was developed in the United States and is now manufactured in Canada.

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There were 179 academic libraries in Canada at last count and they had 7,387,887 books on their shelves, about 79 volumes per student.

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Among the nine butter producing countries of the world Canada ranked fourth in domestic disappearance in 1953 with a per capita figure of 21 pounds.

ATOMIC POWER PLANTS: The co-operation of private industry is being invited by the Government in the development of atomic power plants, the Minister of Trade and Commerce, Mr. C.D. Howe, announced in the House of Commons in answer to a question on January 10.

Question and answer were as follows:

Mr. George H. Hees (Broadview): "Will the Minister advise the House whether the Government has any plans for Canadian industry similar to those announced by the United States Government in Washington yesterday in order to help private industry develop and operate experimental atomic power plants?"

Mr. Howe: "Mr. Speaker, Atomic Energy of Canada Limited has been carrying out a plan similar to that announced in the United States. At the moment some six or eight private industries in Canada have been invited to submit proposals for a joint project of the type mentioned in the article, and it is expected that those proposals will have been submitted by early February. When they are received it is hoped that a joint operation can be carried out between the Chalk River establishment and the selected private firm."

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IRON ORE RISE: Shipments of iron ore from Canadian mines increased again in November, rising 26% to 733,182 tons from 582,314 a year earlier. This was the fourth successive monthly rise over 1953, boosting January-November shipments to 6,543,877 tons from 6,196,163. Stocks at the end of November were 1,285,089 tons, more than double the preceding year's 546,289 tons.

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FEWER IMMIGRANTS: The Department of Citizenship and Immigration has reported that the number of immigrants entering Canada during the first 11 months of 1954 was 146,773, down 10,865 from the 157,638 immigrants who entered in the similar period last year.

FISHERIES RESEARCH: The little known fishery resources in the offshore waters of Canada's coastline are receiving increasing attention by fishery scientists.

In recent years Canada has entered into two multilateral agreements with other countries with the aim of developing and conserving the fisheries off the Pacific and Atlantic coasts. Being closer than any other nation to some of the most prolific international fishing grounds, and having the second longest coastline in the world, Canada has a keen interest in making best possible use of the potential supply of food in the sea.

Dr. A.W.H. Needler, Director of the Pacific Biological Station of the Fisheries Research Board of Canada, Nanaimo, B.C., told the annual meeting of the Board in Ottawa that the possible importance of offshore fishing to the long-term future of British Columbia's fishing industry emphasized the need for more exploratory fishing and reconnaissance in the North Pacific.

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CANADA, U.S. TRAVEL: Volume of highway traffic between Canada and the United States declined less than 1% in November to 873,200 from 879,700 in the corresponding month of 1953. There was a decrease of nearly 3% in the number of foreign vehicles entering Canada to 487,514 and an increase of nearly 2% to 385,689 in the number of Canadian vehicles returning.

In the January-October period 8,058,047 foreign vehicles entered Canada from the United States, down from the preceding year's 8,146,124. At the same time the number of Canadian vehicles returning rose to 4,934,109 from 4,827,871.

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Canada's 1,906 regular theatres could seat 978,162 persons in 1953, 2.4% more than in 1952. Potential capacity (seats multiplied by the number of performances during the year) was 818,265,591.

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DEPARTMENT OF EXTERNAL AFFAIRS

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WEEK'S EVENTS IN REVIEW

FRANCE'S DECISION: "The approval by the French National Assembly of the agreements worked out in a spirit of co-operation and comprehension last autumn at London and Paris is a cause for deep satisfaction," said the Secretary of State for External Affairs, Mr. L.B. Pearson, in a statement on December 30, concerning the action taken by the French National Assembly in Paris on the London and Paris Agreements.

"I realize that there were doubts and hesitations and much soul-searching in Paris before the necessary decisions were taken. The Assembly, however, with what I believe to be a wise and realistic understanding of the situation, have chosen to follow the course which is not only best in the interests of France, but which was also required if the Atlantic coalition, whose strength and unity is essential for peace, was to be maintained.

"It would indeed have been a sad day if some other course had been followed, through fear of the consequences of a restoration of German sovereignty, which included the right and obligation of Germany to share in her own defence.

"We must now prove that the rearmament of Germany, not unlimited nor uncontrolled, but

within the context of NATO and Western European Union, is not only no menace to France, or to any other country, but, on the contrary will help to associate Germany with the free Western world in such a way that peace and security will be strengthened.

"Without the close and friendly co-operation and understanding between France and Germany, such a strengthening of peace would be difficult, if not impossible. That is another reason why the decisions taken in Paris will be welcomed by the majority of the Canadian people."

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GATT DISCUSSIONS: The Department of External Affairs announced on January 4, that the Minister of Trade and Commerce, Mr. C.D. Howe, the Minister of Finance, Mr. Walter Harris, and the Secretary of State for External Affairs, Mr. L.B. Pearson, would visit Washington Thursday, January 6, for discussions with the appropriate U.S. Cabinet Members on several problems arising out of the current Review Session of the General Agreement on Tariffs and Trade. The discussions were expected to take place during Thursday afternoon, January 7.

EMPLOYMENT PICTURE: "It is now over a year since an easing began to occur in the exceptionally tight labour market situation that prevailed in the early summer of 1953. The economy has since proceeded through a period of adjustment, although beginning in the summer of this year indications have pointed to stability and in recent months, some improvement in the level of economic activity and employment while unemployment continued on a higher level in 1954 than in 1953. On balance, we can say that 1954 has been a fairly good year," said the Minister of Labour, Mr Milton F. Gregg, in a year-end review.

"The most encouraging development in the Canadian manpower picture this past summer and fall has been the firming in employment in several industries which last year and particularly last winter were cutting down production," he proceeded. "Since the beginning of the year, employment trends in various parts of the economy have been quite mixed. While employment in the services, trade, finance, and public utilities industries has moved steadily upward, employment in manufacturing has declined. This reduced activity in manufacturing, however, has been moderate and it has not radiated out and prevented growth in other parts of the economy."

MIXED TRENDS

"Since early summer, employment in the non-agricultural industries, which had dropped below the level of the previous year during the winter months, stabilized and in agriculture rose above last year's high level. In manufacturing, some encouraging signs developed during the summer. Although employment in the durable goods industries, which underwent the most serious adjustments during the year, did not entirely achieve stability, some return of strength is indicated in the soft goods industries.

"Some gains in employment have been made in textiles, clothing and leather goods industries, while employment in the paper products, non-metallic minerals, chemicals and petroleum industries has continued to expand. Apart from coal, the mining industry has shown considerable buoyancy in recent months. Forestry employment exceeded last year's level in October and November, and construction has been active this fall particularly in the residential field...."

"With the relative improvement in the employment picture, and despite a continued and fairly rapid growth of the labour force, the demand for labour has been sufficiently strong in recent months to reduce the year to year gap in the unemployment level...."

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There was a 58% jump in the number of carpenters in Canada in the 10 years between 1941 and 1951, from 81,773 to 130,000.

ARCTIC SURVEYS BY AIRCRAFT: The Army, together with the Geodetic Survey of Canada, has tested a new method of surveying which it is hoped will greatly facilitate the mapping of the Canadian Arctic.

The new method developed by C.H. Ney of the Geodetic Survey of Canada, employs an electric light on a high-flying aircraft as a survey marker.

The theory behind the method is that if a plane equipped with a powerful light circles over a triangulation point on the ground, observations can be made on the plane from points up to 100 miles away. Shots of this length require a target 5000 feet above sea level and are only practicable if the target is mounted on a plane.

The fact that the target is moving and never really directly over the triangulation station is compensated for by theodolite observations taken on the plane by men at the station below.

Modern Swiss survey instruments with camera-recorded dials were used.

* * * *

PARIS SECRETARIAT: The Crown-operated Export Credits Insurance Corporation of Ottawa, has announced the establishment of a Secretariat in Paris of the Berne Union, with Mr. G.M. Godley as Secretary-General.

The Berne Union was founded in 1934 to study the technique and practice of credit insurance, and as a medium for the exchange of views and information between member countries in assessing risks in foreign markets. The Export Credits Insurance Corporation joined the Union shortly after its incorporation as a Crown company in 1944. Members of the Berne Union include eleven countries of Western Europe.

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C.N.R. UP IN NOVEMBER: A slight improvement in the net revenues of the Canadian National Railways during the month of November was reported December 31 in the Company's income and expense statement. Operating revenues amounted to \$54,520,000 compared with \$52,906,000 for the corresponding month of 1953, and operating expenses decreased \$1,012,000 for the same period with the result that net revenue increased by \$2,626,000.

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CANAL FREIGHT RISE Volume of freight transported through Canadian canals in November amounted to 3,514,136 tons, an increase of 6.6% over the preceding year's November total of 3,296,648. Increased shipments of barley, oats, petroleum products, sand and other freight through the Welland Ship Canal and barley, oats and soft coal through the St. Lawrence canals resulted in the advance over the preceding November.

CONSTRUCTIVE CO-OPERATION ULTIMATE GOAL

MR. PEARSON'S STATEMENT. The Secretary of State for External Affairs, Mr. L.B. Pearson on December 31 issued a New Year's message in which he reviewed the events of importance in the international field in 1954 and went on to discuss the present situation, as follows:

"... This time last year we were still wondering to what extent the new masters of the Soviet Union proposed to follow in the footsteps of the old. During the year we learned that there were to be some interesting and important variations in tactics, although in strategy and in the basic aims of policy Mr. Malenkov and his associates do not appear thus far at least to have abandoned the dangerous paths of Marshal Stalin.

"Until recently we have had to face heavy-handed Soviet policy of intimidation and threats. This has often had the useful result of consolidating the western world in resisting crude Soviet demands. It seems that now the men in the Kremlin are becoming more astute, and may be seeking to undermine democratic unity and to sap our strength by gestures for what they call 'peaceful co-existence'.

NOT TO BE INTIMIDATED

"Perhaps this adventure of Moscow into more beguiling tactics is an acknowledgment on their part that the West was not to be intimidated. It is to be hoped that it will soon be realized also that we are not to be cajoled by words alone.

"What we must still hope and work for, is a realization on the part of the Soviet leaders that words divorced from deeds will not do; that while we are neither to be frightened nor lulled into an abandonment of policy or principle, we are always prepared to consider at the conference table or through the normal diplomatic channels any legitimate and sincere proposal from them which might strengthen peace and security in the world.

"It would be dangerous for the West not to be prepared for deceit, but it would be stupid not to take advantage of every reasonable opportunity for sincere negotiation. We cannot, even if we wanted to, wipe out our memories of Soviet obstruction to the humanitarian work of economic assistance since the end of the war; nor of the U.S.S.R.'s more open and forceful activity in the Berlin blockade; nor of its

expansion and overthrow of liberty all over Eastern Europe. But though we have learned to be cautious, we must never forget that the ultimate goal that we must continue to seek must involve not only co-existence, but the constructive co-operation, of all men.

"Throughout the year, as previously, the United Nations has remained the basis of Canada's policy for seeking with other states solutions to international problems, just as NATO has been the foundation of our policy for collective defence.

"Apart from these larger associations, we have had occasion more than once during the year in Canada to appreciate the value of our membership in the Commonwealth of Nations, an important part of which is its role in facilitating close and friendly relations with new democracies in Asia.

GOOD NEIGHBOURHOOD

"We have also had cause during the year to be thankful for the good neighbourhood between the United States and Canada, and for the continuing closeness and friendliness of our relations with France and the other free countries of Western Europe.

"The year now ending has seen final solutions to very few of the problems that we face. But in several of them it has taken us forward, and kept open the road to further advances toward genuine peace. It has seen at least the partial realization of some of the plans and hopes of earlier years. These very achievements have, of course, brought with them new problems on which we must now set to work in the hope that a few years hence we may look back without reproaching ourselves for lost opportunities or lack of foresight. In world affairs it is rarely possible to say that an issue is settled and the books closed. Diplomacy is a continuing process; with the end of one problem often becoming the beginning of another. Our purpose should be to ensure that the process at least moves in the right direction! I think that in 1954 we have on the whole been doing that.

"May 1955 bring to all of us real happiness, and may we make during the next twelve months genuine and steady progress towards an assured peace on earth to all men of goodwill."

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Canada's general index number of wholesale prices rose 0.2% in November to 214.8 from 214.3 in the preceding month but declined 1.8% from last year's 218.7. Three of the eight main commodity group indexes moved up from October, four receded and one remained unchanged.

Gross output value of Canada's iron and steel product group of industries climbed to an all-time peak total of \$2,135,032,000 in 1952, an increase of 12% over the preceding year's \$1,904,650,000, according to the annual review of the group by the Dominion Bureau of Statistics.

NEW SCALLOP WEALTH: Thousands of dollars - money that otherwise would not have been realized - have been deposited in the pockets of commercial fishermen as a result of discoveries of new scallop grounds by federal fisheries scientists.

At the annual meeting of the Fisheries Research Board of Canada in Ottawa this week it was reported that the scallop bed on the northern part of St. Pierre Bank in the Gulf of St. Lawrence, discovered in 1953, yielded \$50,000 worth of this sea delicacy in the first six months of 1954. During May and June the boats were landing 1,500 pounds of scallop meats per fishing day.

Encouraged by this find, explorations for new scallop beds were continued in 1954 extending to the Magdalen Islands and Newfoundland. A promising area for a limited commercial fishery was found on the southeast part of Browns Bank. Good catches were made in experimental drags but the bivalves were small and meat yields were low.

Prior to these explorations, it was generally assumed by the fishermen that the only commercial fishery for scallops was in the Bay of Fundy around Digby.

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LARGEST WHALE CATCH: Canada has the only whaling station now in operation off the west coast of North America.

The station is situated at Coal Harbour near the north-western tip of Vancouver Island, B.C. In 1954, the station's six catcher-boats accounted for 630 whales during a six-month season which ran from March to September. These were the largest catch, the longest season and the largest whale catching fleet in the history of the station's seven successive years of operation.

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FISHERIES RESEARCH: Ten thousand codfish are swimming around the North Atlantic without knowing that they are working for the Fisheries Research Board of Canada. They were tagged between April and October of 1954 by members of the Board's staff on the research vessel "Marinus". The main reasons for tagging the fish are to find out where they go, what conditions they prefer and to determine their rate of growth.

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Volume of Canada's forest production in 1952 was slightly below the all-time peak set in 1951 but the value climbed to the highest point on record, according to the Dominion Bureau of Statistics. Final estimates show a cut of 3,565,609,000 cubic feet of merchantable timber valued at \$815,651,000 versus 3,602,-957,000 cubic feet valued at \$782,525,000 in the preceding year.

COMMON STOCKS RISE: Prices of common stocks as measured by the investors' index of 101 stocks, continued to move to new highs during the first four weeks of December. For the week ending December 23 the total index reached 208.5 as compared with 202.9 for the week ending December 25. Strength was shared by each of the three major groups of industrials, utilities and banks, with utilities registering the firmest tone.

Of the eleven sub-groups, all but two were higher, with pulp and paper and building materials showing sharpest advances. Mining stocks also advanced over the period, the series of 27 stocks moving to 101.9 for the week ending December 23 from 98.6 for the week ending November 25. Base metals were somewhat stronger than golds, advancing to 178.7 from 172.9, while golds moved to 68.3 from 66.2.

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EMPLOYMENT DOWN: Industrial employment was at a lower level at the beginning of November, the Bureau's advance index dropping 0.8% from October and 2.9% from November last year. The payroll index, on the other hand, showed a minor rise from October 1 but was insignificantly lower than at November 1, 1953. Per capita weekly earnings rose to a new high.

The November 1 index of industrial employment stood at 112.5 as compared with 113.4 a month earlier and 115.9 a year ago, and that for payrolls at 157.3 as compared with 157.2 at the beginning of October and 157.4 last year. Per capita weekly earnings averaged \$59.82 as compared with \$59.26 a month earlier and \$58.14 a year ago.

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PRICE INDEX DOWN: The consumer price index declined from 116.8 to 116.6 between November 1 and December 1. The change was largely attributable to lower food prices which moved the food index from 113.4 to 112.6.

Other group indexes showed little or no change. The shelter index advanced from 127.9 to 128.2, following a further gain of 0.2% in the rent index and an advance of 0.3% in the home-ownership component.

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In the half-century since 1901 the proportion of Canada's male labour force in agricultural occupations dropped from almost 46% to less than 20%, while the proportion in manufacturing and mechanical occupations rose moderately from about 15% to slightly more than 19%.

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There were 3,521 new motion picture films released in Canada in 1953, of which 2,894 were English, 542 in French and 85 in other languages.

MINERAL PRODUCTION A RECORD \$1,454,000,000

1954 SURVEY: Boosted by new peak values for the four main groups - metals, non-metals, fuels and structural materials - the overall value of Canada's mineral production in 1954 climbed to an all-time high total of \$1,454,000,000, according to the Bureau's annual estimate. This was \$118,000,000 or 8.8% higher than the 1953 value of \$1,336,000,000 and followed a rise of 3.9% or \$50,961,150 in 1953 over 1952. All Provinces shared in the increased value in 1954.

Metals produced in 1954 were valued at \$763,000,000, an increase of 7.6% over the 1953 value of \$709,000,000. Gold production rose to 4,280,000 fine ounces from 4,056,000 and the value to \$145,814,000 from \$139,598,000. Copper production was encouraged by demand, rising to 599,851,000 pounds from 506,504,000 and the value to \$174,139,000 from \$150,954,000. Nickel production advanced to 319,983,000 pounds from 287,386,000 and the value to \$180,196,000 from \$160,430,000.

NEW IRON MINES

Production of lead increased to 442,543,000 pounds from 387,412,000 and the value to \$58,-991,000 from \$50,077,000, but zinc production fell to 747,718,000 pounds from 803,523,000 and the value to \$89,278,000 from \$96,101,000. Iron ore shipments climbed to a new peak total of 7,280,000 pounds from 6,510,000 and the value to \$46,758,000 from \$44,103,000. Iron ore shipments from the new iron mines in New Quebec and Labrador counterbalanced the lessened exports to steel plants in the Great Lakes area. The year's output of silver rose to 31,542,000 fine ounces from 28,299,000 and the value to \$26,262,000 from \$23,774,000.

Mineral fuels were valued at \$354,700,000 in 1954, an increase of nearly 13% over the \$314,200,000 in 1953. Crude petroleum continued to lead all other minerals in value of produc-

tion. The year's output amounted to 95,480,000 barrels valued at \$245,996,000 versus 80,899,-000 barrels valued at \$200,582,000. Natural gas production increased to 122,854,500 M cubic feet valued at \$12,683,000 from 100,-986,000 M cubic feet valued at \$10,877,000, but coal production fell to 14,825,000 tons valued at \$96,078,000 versus 15,901,000 tons valued at \$102,722,000.

The value of other non-metals rose in 1954 to \$136,600,000 from \$126,039,000 in 1953. The greater portion of this total was derived from the production of 966,900 tons of asbestos valued at \$93,080,000 versus 911,000 tons valued at \$86,053,000 the year before. The year's output of gypsum amounted to 3,957,-000 tons valued at \$7,054,000 versus 3,841,000 tons valued at \$7,400,000, and the production of salt amounted to 962,000 tons valued at \$8,507,000 versus 955,000 tons valued at \$6,975,000.

STRUCTURAL MATERIALS

Production of structural materials amounted in value to \$199,386,000 versus \$187,202,000 the year before. Clay products - brick, tile, etc. - were produced to the value of \$31,520,-000 versus \$29,778,000. The year's output of cement totalled 22,553,000 barrels valued at \$59,405,000 as compared with 22,238,000 barrels worth \$58,842,000. Lime production was slightly lower at 1,217,000 tons valued at \$14,333,000 versus 1,229,000 tons valued at \$14,484,000. Sand and gravel rose to 105,431,-000 tons from 101,034,000 and the value to \$56,885,000 from \$53,485,000.

Ontario led the Provinces in the value of mineral produced in 1954 at \$484,993,000 (\$465,877,000 in 1953), followed by Alberta at \$281,462,000 (\$248,863,000), Quebec \$275,141,-000 (\$251,882,000), and British Columbia \$161,309,000 (\$158,488,000).

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UNEMPLOYMENT CLAIMS: Initial and renewal claims for unemployment insurance benefit received in local offices across Canada numbered 187,744 in November. While this is an increase of some 60,000 over the 127,609 claims recorded in October, it is a slight decline from the figure of 188,881 for November, 1953.

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Canada's composite average index for 30 industrial material prices at wholesale moved within narrow limits in December as the total index changed from 223.4 to 223.5 between the weeks of November 26 and December 24. The December 1954 preliminary average index of 223.2 compares with a 1954 low of 221.7 in September and 225.8 in December 1953.

TRANS-CANADA PROGRESS: Construction in many areas during 1954 continued to show good progress in spite of problems posed by unusually bad weather and other physical obstacles in several parts of the country, federal Works Minister Winters stated December 31 in his year-end report on the Trans-Canada Highway programme.

Total mileage paved now stands at 1,050 and another 400 miles are graded and ready for paving. While bad weather caused serious delays in work schedules, as much as six weeks during the mid-year construction season, a total of 223 miles of paving were added to previous completed contracts and 191 miles of new grading were also completed. In addition, 109 of 134 underpasses, bridges and overpasses designed for the Highway were finished by the end of November 1954.

MINISTER OF CZECHOSLOVAKIA. The Department of External Affairs announced on January 5 that His Excellency Bedrich Hruska had presented to His Excellency the Governor General his letter of credence as Envoy Extraordinary and Minister Plenipotentiary of Czechoslovakia to Canada. The ceremony took place at Government House.

Mr. Hruska was born in 1910. After graduating from the Faculty of Philosophy of Charles University in Prague, he taught in various schools and industrial colleges, and later became Principal of an industrial college and subsequently Head of the Regional Department of Education and Culture. In 1953 he entered the Czechoslovak Foreign Ministry and was appointed Chief of the Anglo-Saxon Section of the Committee for Cultural Relations for Foreign Countries, a post which he still held upon his appointment to Canada.

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DEEPEST LAKE FISHERY. For years to come Great Slave Lake in Canada's Northwest Territories will continue to yield an enormous annual catch of some 9,000,000 pounds of freshwater fish. This is the opinion of fishery scientists reporting this week to the Fisheries Research Board annual meeting in Ottawa.

Great Slave Lake, which covers an area of 11,070 square miles, is the fifth largest and the deepest lake on the North American continent. It is also the continent's largest producer of lake trout and whitefish combined.

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WHEAT SUPPLIES. Visible supplies of Canadian wheat on December 22 totalled 350,144,000 bushels, slightly larger than the 344,539,000-bushel total of a week earlier, but 6% smaller than last year's 371,064,000 bushels. Deliveries from farms in the Prairie Provinces during the week were sharply lower at 10,690,000 bushels versus 25,522,000 a year ago. At the same time overseas export clearances rose to 3,080,000 bushels from 1,546,000.

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Volume III of the foreign trade of Canada for the calendar year 1953 was released January 5 by the Dominion Bureau of Statistics. It contains final detailed statistics on imports by articles and countries of origin for the years 1951, 1952 and 1953.

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The Defence Research Board has announced the appointment of Dr. John C. Arnell, of Ottawa, Senior Scientific Staff Officer (Special Weapons), as Director of Scientific Intelligence.

AMBASSADOR OF HAITI. The Department of External Affairs announced on January 3 that His Excellency Jacques Léger on that day presented to His Excellency the Governor General his letter of credence as Ambassador Extraordinary and Plenipotentiary of the Republic of Haiti to Canada. The ceremony took place at Government House.

Mr. Jacques Léger was born at Port-au-Prince, Haiti, in 1914. After graduating in law, he was called to the bar of Port-au-Prince. He entered the Haitian Foreign Service in 1934. Since then he has represented his country, in various capacities, in the following countries: Venezuela, Cuba, Argentina and Brazil. He has also attended a number of international conferences, and has held several posts in the Foreign Ministry, including that of Secretary of State for External Relations. In 1952, he was appointed Ambassador at Washington, a post which he will still hold concurrently with that of Ambassador to Canada.

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CHRISTMAS SALES JUMP. Canadians went on a shopping spree this Christmas that boosted department store sales 32.2% above the 1953 Christmas week level. Preliminary estimates released by the Dominion Bureau of Statistics reveal that in the week ending December 24 sales were higher than a year earlier in all parts of the country.

The biggest boost over the corresponding week of 1953 was a 46.4% sales jump for department stores in the four Atlantic Provinces. On the other side of the country, British Columbia department stores rang up a 40.3% sales gain. Ontario sales were up 34.4%, Alberta sales 27.4%, Quebec sales 25.6%, Saskatchewan sales 25.4%, and Manitoba sales 20.6%.

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TEXTILE OUTPUT DOWN IN 1952. Canadian production of all textiles except clothing was valued at \$744,141,645 in 1952, a drop of \$102,335,658 or 12% from the output of the preceding year, according to the Bureau's annual general review of this group of industries. The group comprises the cotton textile industry, the wool textiles industry; the synthetic textiles and silk industry, the dyeing and finishing of textile goods industry, and miscellaneous textile products industries.

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The rate of natural increase (the excess of births over deaths) per thousand population ranged from 15.9 in British Columbia to 26.3 in Newfoundland in 1953, averaged 19.6 for Canada as a whole.

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