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IMPROVED RELATIONS

Reassuring evidences of an improvement in United States-Canadian relations were presented by Prime Minister J.G. Diefenbaker on October 28, in an address to the Pilgrims Society in New York.

Speaking on the eve of his departure on a world tour, the Prime Minister recalled how last year he had expressed the concern of many Canadians with respect to trade and economic relations with the United States. He said that he felt reassured that beneficial changes have taken place in these relations since he had spoken at Dartmouth College fourteen months ago.

Mr. Diefenbaker went on to list some of the reassuring evidences of the improvement to which he had referred.

He said:

"(1) I recall the visit of President Eisenhower and Secretary of State Dulles to Ottawa in July. On that occasion we examined in frankness and forthrightness and mutual confidence, matters of great importance to our two countries.

"The measure of that frankness was evident in the President's speech to the Parliament of Canada in which, in Canadian surroundings, the points of view which guide the United States were reviewed.

"May I divert here to say that a most encouraging aspect of events of the past year has been the manner in which the editorial writers and columnists of the United States and Canada have placed added emphasis upon

examining and understanding the various points at issue, as well as the many points of contact where we are in complete or substantial agreement. They have written with understanding -- and, I believe, written more quantitatively and more frankly than ever before.

"(2) Arising out of the discussions with President Eisenhower, a Cabinet Committee, to be known as the Canada-United States Committee on Joint Defence, has been provided for, which will consult regularly on matters bearing upon the common defence of the North American continent which lies within the North Atlantic Treaty area.

"This Committee, which will have its first meeting in the next few months, will not seek in any way to take over the technical responsibilities which belong to our respective Chiefs of Staff, or the advisory functions of the Permanent Joint Board on Defence, but will provide a close and intimate contact to the political leaders whose responsibility it is, in the final analysis, to decide on matters of the highest policy with respect to defence preparation. A clear understanding and identity of views in regard to the safeguarding of our peoples on this continent will be thereby assured.

"(3) Another important move has been the action taken towards arranging on an organized basis an exchange of visits and regular exchanges of views between the legislators of our countries.

(over)

"I proposed in the House of Commons the establishment of such a Committee. United States Senators Aiken and Capehart and Representatives Brooks Hays and Coffin have recently visited Ottawa to further the establishment of such a Committee and the first of these meetings will take place in Washington in 1959.

"(4) Then too, I should mention the joint United States-Canada Cabinet Committee on Trade and Economic Questions which in a meeting two months ago came to grips with various economic problems affecting our countries and in discussion revealed a mutual desire to assure fairness.

"It is most important that our trade relations have regard to the rights of each of us. The United States is our largest customer but purchases from the United States far exceed by hundreds of millions of dollars our sales to the United States.

"Only a month ago a Commonwealth Trade and Economic Conference took place in the City of Montreal. The theme of that Conference and its conclusion can be summed up as an expanding Commonwealth trade in an expanding world economy.

"As the free world must meet not only the military but the economic offensive of the U.S.S.R., I believe that it is the language of common sense that the nations of the free world must co-operate economically as in defence. To do less means that freedom can afford to allow the weakening economically as in defence. To do less means that freedom can afford to allow the weakening economically of any of the free nations.

"The recent extension by Congress of the Reciprocal Trade Agreements Act shows that the United States will continue to look with an open mind to the gradual evolution of an expanding area of multilateral trade. I was heartened by the stand taken by Congress this year in amendments to Public Law 480 which is of particular importance to Canada, dependent as my country is on major exports of wheat...

CONCLUSION

"We will always have to meet problems as they arise but in the spiritual unity between Canada and the United States they will never be insoluble. That spiritual unity embraces a common approach to the decencies of civilized living; a common belief in the needlessness of poverty, of disease and illiteracy, a common faith in the eventual ability of men of goodwill to solve national and international problems are the ultimate and common beliefs of our people.

"We are united, in international aims, purposes and ideals. Someone described the lives of those in this generation of cold war as moving always 'between the tower and the abyss', the tower being the region of endless good possibilities in the development of man and society; the abyss is the disaster which

will come if the tensions of recent years are not resolved by pacific means, knowing as mankind must now know that the arithmetic of scientific destruction is almost limitless.

"In this world watershed of history there can be no divergence in the dedication of free men in unity. In facing the world-wide peril to freedom, we of the free world must in unwavering unity preserve those beliefs and traditions that make life not only worthwhile, but offer sure hope and inspiration to all mankind.

"The great triangle of nations, Great Britain, the United States and Canada must join with others of like mind in a common effort to assure new hope for the betterment of peoples who have been disenfranchised from the bounties of Providence. It is a primary duty to be our brother's keeper to those underdeveloped areas of the world and to give aid, both economic and technical, so that the gulf between their living standards and ours shall become narrower. Since we in North America are blest with more than our share of the good things of life, an over-riding mandate is that we must help those who have less...."

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RECOMMENDATIONS ON ENERGY

According to the First Report of the Royal Commission on Energy, made public last week, effective control over the export from, and the import into Canada, and the movement across provincial boundaries of all energy and sources of energy, should be provided by federal legislation.

The Commission recommended that a National Energy Board should be established by this enabling legislation, as a permanent board, to study and to recommend to the Governor in Council policies designed to assure to the people of Canada the best use of the energy, and sources of energy in Canada.

The National Energy Board should have authority:

"To study, review and from time to time recommend to the Minister of Trade and Commerce such policies and measures as it considers necessary or advisable in the public interest for the control, supervision, conservation, use and development of energy and sources of energy and for the production, recovery, manufacture, processing, distribution, transmission, sale, purchase, exchange, disposal, import or export of energy and sources of energy within, to or from Canada".

This Report recommends that, considering the proven reserves in Canada and trends in the discovery and growth of reserves, the export from Canada of crude oil, and of natural gas which may from time to time be surplus to the foreseeable requirements of Canada, should be permitted under license.

EDUCATION CONVENTION

The Canadian Education Association held its thirty-fifth Convention recently in Victoria, British Columbia.

In his Presidential address, Dr. H.L. Campbell pointed out that, with the exception of Switzerland, Canada is virtually the only country with no national office of education. The division of public education in Canada into ten provincial systems is both a strength and a weakness. It allows for the development of a programme best suited to the needs of a particular area, but at the same time, it is likely to produce unequal standards. The Canadian Education Association has gradually assumed, by unanimous consent, many of the functions which would be performed by a national office of education, and its role in education has become increasingly important.

With the co-operation of the provincial departments of education and other educational bodies, the C.E.A. sponsored, for the sixth year, a three-week short course for school inspectors and superintendents. This is now a self-supporting activity of the Association, with the sending agencies sharing the cost on an equal basis.

An encouraging incident of the year was the gift by Imperial Oil Limited of \$100,000 for the establishment of a research office in education. It is proposed to enlarge the Research Council which acts in an advisory capacity to the Directors of the Association. Dr. Cecil P. Collins, formerly Superintendent of Schools in Saskatchewan, has been appointed Research officer.

The J.G. Althouse Award in Educational Leadership, established last year, was given for 1958 to Dr. G.C. Goldring, for many years Director of Education for the City of Toronto, and a longtime friend and supporter of the Canadian Education Association.

The Canadian National Commission for UNESCO, established by the Canada Council in 1957, held its first meeting in Ottawa last February. Three places in the 26-member Commission and one place on its seven-member executive have been allocated to the C.E.A. One of the functions laid down for the Com-

mission is to assist Canadians to attend international conferences abroad, in matters that lie outside the immediate competence of the Federal Government. It is hoped that the Commission will give some consideration to the problem of Canadian representation at international educational conferences.

Since 1952 the C.E.A. has regularly sent a representative to the annual International Conference on Public Education in Geneva, Switzerland. Dr. C.F. Cannon, Chief Director of Education for Ontario, was the able representative at the Conference this year. Jointly sponsored by the International Bureau of Education and UNESCO, this Conference brings together educators from some 70 countries for both formal and informal exchanges of views. Each year, in addition to national reports on education, particular attention is given to two major subjects; for 1958, these special topics were "Education in Rural Areas", and "Primary School Syllabi".

A notable event in Canadian educational affairs was the Canadian Conference on Education held last February. Sponsored by 19 organizations, of which the C.E.A. was one, the Conference brought together in Ottawa some 850 delegates. These represented many different occupations and interests, and they discussed at length various problems in all aspects of education.

A National Committee and an Executive Committee were appointed as continuing organizations, with an Executive Secretary and an office at 85 Sparks Street, Ottawa. The broad purpose of the Canadian Conference on Education is to act as a medium between the public and those responsible for education.

It is not to be confused with the National Conference of Canadian Universities which also has an office in Ottawa.

The interest and concern which are felt in all parts of Canada about educational matters are illustrated by the fact that, within the past few years, there have been Royal Commissions on Education in five of the provinces, three of which have been sitting during the present year.

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TO MINIMIZE SURPRISE ATTACK

The Department of External Affairs has announced the appointment of Mr. L. Dana Wilgress to lead the Canadian participants in the meeting of technical experts, due to begin in Geneva on November 10, to study the practical aspects of minimizing the possibility of surprise attack. Mr. Wilgress for the past five years has been the permanent representative of Canada to the North Atlantic Council. He will be accompanied by political and tech-

nical advisors from the Department of External Affairs and the Department of National Defence.

The prospective conference is the outcome of proposals made by the President of the United States to the Chairman of the Council of Ministers of the U.S.S.R. some months ago. The Soviet Union has indicated that experts from Czechoslovakia, Poland and Roumania will take part on its side. For the Western countries there will also be experts from France, Italy, the United Kingdom, the United States and possibly other countries.

COD FOR BRAZIL

Mr. Gordon Churchill, Minister of Trade and Commerce, announced on October 22 that arrangements have been made for the sale of \$600,000 worth of Canadian salt cod to Brazil.

This special arrangement has been worked out in connection with trade discussions between the Canadian and Brazilian Governments. Mr. Churchill indicated that interested Canadian exporters in Newfoundland, the Maritime Provinces and Quebec have already been advised and have completed arrangements for shipments to the Brazilian market. He said these sales to Brazil will be of substantial assistance in the present marketing season.

Mr. Churchill warmly welcomed this step by the Brazilian Government, enabling Canadian exporters to re-enter the traditional and important Brazilian market for salt fish. As a result of exchange control measures by Brazil, Canadian exporters have for many years been at a serious disadvantage in competing with other suppliers. Mr. Churchill expressed the hope that this re-opening of the Brazilian market for Canadian fish would be but the first step in the early relaxation of restrictions affecting Canadian exports.

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MANUFACTURING INDUSTRIES

British Columbia retained third place among the manufacturing provinces of Canada in 1956 with total factory shipments of \$1,859,368, -466, according to the Dominion Bureau of Statistics. Despite the increasing industrialization in other provinces British Columbia succeeded in increasing its share of the national output from 7.1 per cent in 1955 to 8.6 per cent in 1956.

Sawmilling ranked first among the industries with an output of \$397,934,856 in 1956, and pulp and paper ranked second with \$184, -526,395, followed by petroleum products at \$123,235,472. The latter industry received great impetus from the completion of the Trans-Mountain oil pipeline which raised the industry from seventh position in 1953 when its shipments were valued at \$40,562,462. Fourth place went to the plywood and veneer industry which had an output of \$87,532,258, and was followed by fish processing which has fallen to sixth place since 1953 when it ranked third. Other important industries during the year were: sash, door and planing mills, slaughtering and meat packing; miscellaneous food products, shipbuilding; fertilizers; printing and publishing; butter and cheese; and fruit and vegetable production. Non-ferrous metal smelting and refining also ranked high among the provincial industries but figures are not released as there were fewer than three smelters involved.

Industrial expansion is spreading into areas that were formerly inaccessible. New

lines of communication have enabled these remote areas to tap new natural resources and to make use of the vast water-power resources in which the province ranks second in availability in all of Canada. The hydraulic development, at the end of 1956 totalled 2,566,460 h.p., and was exceeded only by Quebec and Ontario.

The number of establishments operating in 1956 totalled 4,393, a drop of 93 from the year before and the first downturn since 1948. Employees, however, continued to rise and numbered 108,595, eaming a new high in wages and salaries of \$393,869,388. Since 1953 employees have increased 15.7 per cent in number as compared with an increase of only 1.9 per cent for Canada, and the value of factory shipments has advanced 36.0 per cent compared with the national figure of 21.7 per cent.

In the Yukon and Northwest Territories the gross value of products rose to a new peak of \$5,130,497 in 1956 but the number of establishments dropped to 24 and continued the decline that first appeared after 1954, in which year there were 31 plants. Employees showed a slight gain to 175, and wages and salaries reached a new level of \$681,433. The main industrial activity was centred around 12 sawmills, five producing foods and beverages, and a number of miscellaneous industries.

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REVENUE AND EXPENDITURE

The Dominion Bureau of Statistics released on October 22 two publications dealing with revenue and expenditure of provincial governments. One is a preliminary or second analysis covering the fiscal year ended March 31, 1958, and the other is an estimate or first analysis for the fiscal year ended March 31, 1959.

The preliminary or second analysis of revenue and expenditure of provincial governments indicates that, for the fiscal year ended March 31, 1958, net general revenue of \$2,012 million and net general expenditure of \$2,046 million again increased over the previous year, the gains being evident in all provinces. The increase in net general revenue was mainly due to higher receipts from the corporation income tax in Quebec and Ontario. This was the first year under the 1957 tax rental agreements, and Ontario as well as Quebec did not choose to rent this field of taxation to the federal government. Gains were also apparent in revenue from sales taxes on motor fuel and fuel oil, from privileges, licences and permits, and from liquor profits. Net general expenditure (current and capital) for the year showed its main gains in transportation and communications, health and social welfare, and education.

The summary of estimates or first analysis of revenue and expenditure data of provincial governments is a compilation based on the

projected expenditures and anticipated revenues as appearing in the Estimates and Budget Speeches presented to the provincial legislatures by the provincial treasurers. Most Budget Speeches contained various proposals to stimulate employment. Several new federal-provincial fiscal developments are reflected in the provincial budgets for 1958-59, including an interim adjustment in the tax-sharing arrangements, Atlantic provinces assistance grants, a review of Newfoundland's financial position with the possibility of changes in the federal financial assistance to that province, and the operation of provincial hospital insurance schemes.

Net general revenue and expenditure continue to rise, the increases in revenue being due mostly to higher receipts being expected from taxes on sales of motor fuel and fuel oil, and from Government of Canada subsidies and the new federal-provincial tax rental agreements. The predicted rise in total expenditure results from increases for all functions of government, the most substantial percentage increases being for social welfare and education. Net general revenue is estimated at \$2,051 million and net general expenditure, exclusive of debt retirement, is estimated at \$2,226 million for the fiscal year ended March 31, 1959.

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MR. SMITH TO LATIN AMERICA

The Department of External Affairs has announced that Mr. Sidney E. Smith, Secretary of State for External Affairs, accepting the cordial invitation of the Brazilian Government, will visit Brazil in November. On the return journey he will visit Mexico.

This will be the first formal visit made by a Canadian Secretary of State for External Affairs to Latin America. Canada's first exchange of diplomatic representation in Latin America was made with Brazil, when the Canadian Legation, later raised to embassy status, was opened in Rio de Janeiro in September 1941. The exchange of diplomatic representation with Mexico dates from 1944. The atmosphere of Canadian relations with both countries has been consistently friendly and co-operative, and the visit of the Secretary of State for External Affairs provides an opportunity to demonstrate the Canadian desire that these good relations should be maintained and strengthened. Because the Minister is already committed to attend the December meeting of the North Atlantic Council in Paris, he will not be able to extend his tour to other Latin American countries.

Mr. Smith will be accompanied by his wife and by a small group of officials. Several of the Canadian Heads of Mission in other South American countries will meet the party in Rio de Janeiro and will attend a two-day meeting with Mr. Smith and the departmental officials

to discuss policies and problems of common interest.

Mr. Smith will leave from Seattle, Washington, immediately after the Colombo Plan Ministerial Meetings which are expected to end on November 13. He will remain in Brazil from November 17 to November 27 approximately and will then spend four or five days in Mexico. He is expected to return to Ottawa December 4 or 5.

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COLOMBO PLAN MEETING

The Canadian Delegation to the meeting of the Consultative Committee of the Colombo Plan which will be held this year in Seattle from November 10 to November 13, will be headed by Mr. Sidney E. Smith, Secretary of State for External Affairs. Mr. L.E. Couillard, Ambassador-Designate to Venezuela, will serve as alternate delegate.

Members of the delegation will be Mr. J.M. Teakles, Department of External Affairs; Mr. L.D. Hudon, Department of Finance; Mr. D.W. Bartlett, Department of Trade and Commerce; and Miss Lois Hill, Department of External Affairs.

Mr. Teakles is also serving as head of the Canadian Delegation to the preliminary meetings of officials which began on October 27.

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UNITED NATIONS DAY

Nation-wide observances were held throughout Canada on October 24, which since 1947 has been celebrated as "United Nations Day".

The Secretary of State for External Affairs, Mr. Sidney E. Smith, issued a special United Nations Day message. In Ottawa there was a display in front of the Parliament Buildings of the flags of the 82 member countries of the United Nations, including a flag not displayed before, that of the United Arab Republic. The United Nations flag was flown from the eastern flag-pole of the centre block.

The Dominion Carillonneur, Mr. Robert Donnell, played the national anthems of those member countries whose nationals are presiding officers of the principal organs of the United Nations.

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CHILDREN'S COMPETITION

Twenty-six young Canadians, ranging in age from five to 15, won awards in Shankar's International Children's Competition for 1957. This unique competition is an enterprise of *Shankar's Weekly*, an important paper in New Delhi. Contributions in drawing and writing are invited from children the world over. In 1957 there were some 37,000 entries from many countries. The best entries, in both drawing and writing, are published in *Shankar's Children's Art Number*.

ENGLISH-SPEAKING UNION

The English-Speaking Union of the Commonwealth and the English-Speaking Union of the United States, parallel and autonomous organizations, held their third World Branches Conference in Ottawa from October 26 to October 31. Attending the Conference were some 250 delegates and 150 observers from the United Kingdom, the United States, Australia, New Zealand, Bermuda and Canada.

His Royal Highness, the Duke of Edinburgh, President of the English-Speaking Union of the Commonwealth, was the Chairman of a symposium on October 29, and of a dinner meeting on October 30.

The English-Speaking Union was founded in 1918 by Sir Evelyn Wrench who was present at the Ottawa Conference. Its purpose is to promote a good understanding between the peoples of the United States and the Commonwealth.

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"CAESIUM 137"

More hope for cancer sufferers is to be found in the form of a recently developed therapy unit, designed and manufactured by the Commercial Products Division of Atomic Energy of Canada Limited in Ottawa.

This new therapy unit uses a radioactive isotope called "Caesium 137" instead of the "Cobalt 60", which has become so familiar to Canadians since the first Cancer Clinics put radioactive Cobalt to work in the fight against cancer in 1951.

Rather than being a substitute for Cobalt 60, Caesium 137 is another approach to treating cancer with radioactive isotopes.

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Whereas Caesium 137 has been in plentiful supply (as part of the radioactive waste from nuclear reactor operation) for some time, it is only recently that a process was developed to permit its separation from the other unwanted waste.

Atomic Energy of Canada Limited have designed and manufactured 5 types of Cobalt units in addition to the Caesatron. Over 115 Cobalt 60 therapy machines are now in use in over 20 countries throughout the world.

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\$1 MILLION PROJECT

Mr. Alvin Hamilton, Minister of Northern Affairs and National Resources, has announced that Alaska-Yukon Refiners and Distributors Limited, a Canadian company with headquarters at Edmonton, would establish a \$1 million refinery at Haines Junction in the Yukon Territory. Engineering design and construction of the project will be carried out by Fluor Corporation of Canada, a well known Toronto engineering firm.

The refinery - an important new industry - represents another step forward in the territorial development programme. It is to be a products treating and separation plant, capable of handling a through-put of 3,000 barrels of oil daily and will produce asphalt of several grades, as well as stove, diesel and bunker fuels for distribution in the Yukon and Alaska regions.

This investment by Alaska-Yukon Refiners and Distributors Limited will provide additional permanent employment in the area. During the construction stage it is expected that some 60 to 75 men will be employed at the site.