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PROGRESSIVE CONSERVATIVE SWEEP

Carried on the crest of a country-wide wave of votes that decimated Liberal ranks, eliminated the Social Credit party from the federal scene and severely cut the CCF strength, Mr. John G. Diefenbaker's Progressive Conservative Government was swept back into office with an overwhelming mandate in the general election March 31.

With one seat in doubt as this bulletin went to press, the Progressive Conservatives had gained 209 of the 265 seats in Canada's House of Commons in an unprecedented display of election strength. The PC's showed amazing power all across the country, and received solid support from the key province of Quebec, where 50 of their standard bearers were named to office. In the 1957 election, only 9 Progressive Conservatives had won seats in Quebec.

Only 8 Liberals were elected in the Atlantic Provinces, 5 in Newfoundland (unchanged) and 3 in New Brunswick (2 in 1957). Twenty-five Liberals survived the upheaval in Quebec, with

Party Standings:

| | |
|---------------|------------|
| PC | 209 |
| Lib | 47 |
| CCF | 8 |
| SC | - |
| Others | - |
| Doubtful | 1 |
| Totals | 265 |

1958

| |
|------------|
| 209 |
| 47 |
| 8 |
| - |
| - |
| 1 |
| 265 |

At Dissolution

| |
|------------|
| 113 |
| 106 |
| 25 |
| 19 |
| 2 |
| 265 |

MAJOR ROAD PROGRAMME IN NORTH

Northern Affairs Minister Alvin Hamilton has announced details of a major development road programme for the North.

Work has begun, the Minister said, on projects in the Yukon and Northwest Territories involving over 1,200 miles of roads and six major bridges at an estimated cost of over \$31,000,000.

YUKON

In the Yukon plans call for the construction of a development road from the existing Yukon road system at Flat Creek, about 25 miles southeast of Dawson, running northeast some 170 miles to the southern edge of the Eagle Plain Oil Reservation, where large-scale exploration is now going on for oil. At this point the road will fork; one branch running northwest 70 miles into the drilling area, the other running northeast some 160 miles to Fort McPherson. Cost of the 400-mile road is estimated at about \$8,000,000.

Supplies for this major Arctic project have already been taken in by winter tractor train and cached along the first 170-mile portion of this road. Detailed surveys will be made this year and contracts for construction of the 170-mile stretch will be let late this year or early in 1959 for completion in 1960.

A reconnaissance survey of the second section, to Fort McPherson, will be made this year with a detailed survey in 1959. Construction of the second will follow immediately after the first 170 miles have been completed. Target date for completion of the entire road is 1962.

It is planned to construct three bridges in the Yukon during the next two years where the Keno-Whitehorse highway crosses the Pelly, Yukon and Stewart Rivers. Plans have been completed for the Carmacks bridge across the Yukon, which will be built in 1958; the other two will be built next year. These will replace summer ferries and winter ice bridges and open this important ore-hauling road to year-round traffic. At present freeze-up and break-up on the rivers interrupts traffic for about three months each year. These three bridges will cost \$3,500,000.

About \$270,000 will be spent this year to re-open the Canol Road as far as the Ross River. The Canol Road was built during the war to service a pipeline running from Norman Wells on the Mackenzie River to a refinery at Whitehorse. After the war the refinery was removed and the road abandoned. For several years prospectors have urged the rehabilitation of the southern 130 miles to assist

mineral exploration in the Ross River area, highly promising for base metals (lead, zinc, copper, nickel). This renovation programme, including re-building of bridges, was begun last year and will be completed this year.

In addition, the sum of half a million dollars is provided for a new road westward from Dawson to Clinton Creek, a promising base metals and asbestos area.

NORTHWEST TERRITORIES

In the Northwest Territories, Mr. Hamilton said, the major road project is the 550-mile Great Slave-Great Bear road, now to be built in two stages. Construction work on the first stage - 300 miles around the west end of Great Slave Lake to join Yellowknife with the Mackenzie Highway - will be completed in 1960 at a cost of \$10 million. In addition, bridges will be built over the Kakisa River and the northwest Arm of Great Slave Lake, and either a bridge or a ferry will be provided to cross the Mackenzie River. In the second stage the road will go on another 250 miles to Great Bear Lake, at an estimated cost of \$5 million. From Marian Lake near Fort Rae a road now runs some 30 miles north to serve local mining developments, and this section of road will become part of the development road system. Further north, it will follow the boundary of the Precambrian Shield to Sawmill Bay on Great Bear Lake where an airstrip already exists. The route will be surveyed in 1959 and construction will begin in 1960 or 1961.

This road will provide all-year communication with Yellowknife and will assist exploration and development in the richly mineralized areas lying between Great Slave and Great Bear Lakes.

Other development road expenditures in the Northwest Territories will provide \$1,500,000 for the hard surfacing of the Fitzgerald-Bell Rock Portage Road on the Slave River transportation route where waterborne freight, transported in and out of the Northwest Territories along the Mackenzie River system, must be trucked over a 24-mile portage due to rapids on the Slave River at the Alberta boundary. The sum of two and a half million dollars will be provided for a new 78-mile road from Peace Point to the west boundary of Wood Buffalo National Park. This will assist developing the timber resources of the area, and when the Province of Alberta constructs a road from North Vermilion, will provide the first year-round overland communication between Fort Smith and outside points, and greatly facilitate the economic development of north eastern Alberta.

(C.W.B. April 2, 1958)

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

ROAD CONSTRUCTION PROGRAMME

YUKON TERRITORY AND NORTHWEST TERRITORIES

Scale of Miles 0 100 200

LEGEND

- Existing Roads
- Roads to be Constructed
- New Bridges



WATER RESOURCES BRANCH

CLOSE TO 17,000,000

Canada's population increased 61,000 in the first two months of this year to reach an estimated 16,948,000 on March 1 as compared with 16,887,000 at the beginning of the year, according to the Dominion Bureau of Statistics quarterly estimates. At this level the population was only 52,000 short of the 17,000,000-mark.

Over the 12 months since March 1 last year the population growth was a record 528,000 or 3.2 per cent, comparing with increases of 448,000 in the preceding 12 months (2.8 per cent), 385,000 in 1955-56 (2.5 per cent), 425,000 in 1954-55 (2.8 per cent), 432,000 in 1953-54 (2.9 per cent), and 394,000 in 1952-53 (2.7 per cent).

* * * *

FOREIGN CAPITAL INFLOW

Portfolio security transactions between Canada and other countries in 1957 were broadly similar to those which occurred in 1956, according to the Dominion Bureau of Statistics. For the year as a whole a very high level of capital investment again created strong demand pressures whose physical aspect was reflected in a substantial deficit on account of exchanges of goods and services between Canada and the rest of the world. The impact of these pressures on the Canadian capital market led to heavy financing demands being directed to foreign markets. This situation did not persist throughout the year, however, and there was a marked reduction in recourse to foreign security markets by Canadian governments and corporations in the latter half of the year. Nevertheless for the year as a whole the net import of capital by Canada through transactions in portfolio securities amounted to \$731,000,000, only moderately below the record of \$760,000,000 established in 1956, and more than twice the amount of the previous record net inflow established in the exceptional circumstances of 1950.

The net capital import from all portfolio security transactions of \$731,000,000 included \$104,000,000 from trade in outstanding Canadian issues and \$762,000,000 from the sale to non-residents of new Canadian securities, offset to the extent of \$152,000,000 by retirements of foreign-held Canadian securities. A net inflow of \$17,000,000 occurred on balance from transactions in foreign securities.

The quarterly movements reached a peak of \$316,000,000 in the second quarter of 1957, having risen from \$235,000,000 in the previous quarter. The second quarter level shattered the record of \$304,000,000 established in the third quarter of 1950 in a frenzy of exchange rate change expectations at that time. The rate of capital inflow from portfolio security

transactions then contracted sharply, falling to \$135,000,000 in the third quarter of 1957 and \$45,000,000 in the final quarter of the year. The decline in capital inflow was smaller than the decline in actual transactions entered into because in the first half of the year new sales on a deferred delivery basis exceeded deliveries on earlier contracts while in the latter part of the year the relationship was reversed. Timed according to contract rather than delivery dates, the rate of inflow fell from about \$600,000,000 in the first half of the year to about \$100,000,000 in the second half.

Residents of the United States provided some \$529,000,000 of the net movement, compared with \$535,000,000 in 1956. The net inflow from the United Kingdom rose from \$114,000,000 in 1956 to \$127,000,000 in 1957, but the inflow of \$75,000,000 from other overseas countries fell well below the figure of \$111,000,000 recorded in 1956.

The proceeds of new issues of Canadian securities sold abroad again set a new record in 1957, amounting to \$762,000,000, an increase of \$81,000,000 or 12 per cent over the previous record established in 1956. The movement was heavily concentrated in the first half of the year, during which some 72 per cent of the inflow occurred. A peak of \$293,000,000 was reached in the second quarter, and there was a rapid decline to less than one-quarter of that amount in the final quarter of the year. Residents of the United States bought about 90 per cent of the new issues sold to non-residents in both 1956 and 1957. In both years, too, about 90 per cent of the new issues of bonds and debentures sold outside Canada were payable optionally or solely in foreign currency.

Retirements of foreign-held Canadian securities amounted during 1957 to \$152,000,000. Slightly more than 80 per cent of the foreign-owned issues retired were held by residents of the United States, and about 90 per cent of the bonds and debentures retired were payable optionally or solely in foreign currencies.

Value of securities traded internationally in 1957 fell by more than \$350,000,000 from the record level of nearly \$2,400,000,000 established in 1956. The net inflow of \$140,000,000 recorded on the monthly returns compared with \$236,000,000 in 1956. Quarterly turnover amounted to nearly \$490,000,000 in the first quarter of the year, rising in the second quarter to \$680,000,000 which was only slightly below the peak established a year earlier. Turnover then fell sharply to \$480,000,000 in the third quarter and \$380,000,000 in the final quarter of the year. For the year as a whole, trading turnover with the United Kingdom rose by 39 per cent, but the turnover with the United States and with other overseas countries was down respectively by about 23 per cent and 3 per cent compared with 1956.

CROP ACREAGE, 1958

On the basis of their intentions at March 1, Canadian farmers intend to devote increased acreage during 1957 to oats for grain, barley, mixed grains, potatoes, mustard seed, rapeseed, sunflower seed, spring rye and summer-fallow. There will be decreases in acreage for wheat, fall rye, flaxseed, corn for grain, and soybeans, the Dominion Bureau of Statistics reports.

Largest individual increase indicated in the use of Canada's crop land in 1958 is the increase of 429,000 acres in barley, followed by rapeseed which may be up 201,000 acres. Biggest decreases are prospective reductions of 385,000 acres for all wheat and 298,000 acres in flaxseed, Durum wheat acreage included in the all wheat total may be 797,000 acres smaller and winter wheat 30,000 acres less than in 1957, while that sown to spring wheat may be 442,400 acres larger.

Farmers' intentions indicate a total of 20,600,000 acres to be seeded to wheat, a decline of 400,000 acres from 1957 seedings and 4,100,000 acres or 16 per cent below the 1952-56 average. Wheat acreage may increase 8 per cent in Manitoba but decrease 2 per cent in Saskatchewan and 5 per cent in Alberta.

Prospective plantings of spring wheat of 20,100,000 acres are 2 per cent below the year-earlier acreage and 16 per cent below the 1952-56 average, with practically all the decrease expected in the Prairie Provinces. A decrease of 34 per cent is anticipated in the acreage of Durum wheat, farmers in Alberta and Saskatchewan planting substantially less, but farmers in Manitoba seeding more to this crop, due to the availability of new rust resistant varieties. The 600,000 acres sown to winter wheat in Ontario last fall is the smallest since 1946.

Area intended for spring rye in 1958 is placed at 122,500 acres, some 10 per cent above last year's level, but combined with a 13 per cent drop in the area seeded to fall rye last autumn, the combined acreage of spring and fall rye is placed at 505,700 acres. This would be 8 per cent below the preceding year's total and only about half the 1952-56 average.

Intended acreage of oats for grain at 11,100,000 acres is 1 per cent greater than in the preceding year and 3 per cent above the 1952-56 average. Prospective barley acreage is placed at 9,800,000 acres, up 5 per cent from last year and only slightly below the 1955 record total of 9,900,000 acres. Largest acreage increase in oat seedings is indicated in Manitoba, while Saskatchewan is expected to register the greatest gain in barley acreage. Mixed grains acreage intentions of 1,500,000 acres are 3 per cent above a year ago but 6 per cent below the five-year average. Corn for grain, sown mainly in Ontario with small commercial acreages in Manitoba, may be sown

on 507,400 acres, down 1 per cent from last year.

Probably reflecting poor yields last year (in Manitoba and Saskatchewan, flaxseed acreage may decline substantially in these two provinces, although acreage in Alberta may increase. For Canada as a whole, plantings are expected to be 9 per cent smaller. Acreage sown to rapeseed, grown mainly in the Prairie Provinces will establish a new record if intentions are confirmed. In the past, a large proportion of this crop has been grown on a contract basis and the ability to obtain contracts as well as the price offered by the contracting firms may considerably influence actual seedings. Indicated acreage at 848,400 acres is an increase of 31 per cent from 1957, the previous record, and 636 per cent above the five-year average acreage of 115,200. Mustard seed intended acreage at 100,000 acres shows an increase of 9 per cent from a year earlier and 34 per cent above the recent five-year average. Most of this crop is grown in southern Alberta on a contract basis and the ability of growers to obtain contracts may influence actual seedings. Acreage sown to sunflower seed, grown mainly in Manitoba, may rise 36 per cent from the 1957 total to 47,600 acres. Ontario, with a 5 per cent cut in acreage sown to soybeans, may lower the all-Canada total to 243,000 acres. Seedings of this size would be 11 per cent greater than the five-year average.

EARNINGS AND WORK HOURS

Weekly wages paid to wage-earners by Canadian manufacturers in 1956 averaged out at \$63.97, up \$3.44 or 5.7 per cent from a year earlier, while salaries averaged \$85.23, up \$4.66 or 5.8 per cent, according to the Dominion Bureau of Statistics annual report on earnings and hours of work in manufacturing. Average weekly wages of men advanced 5.7 per cent to \$70.67 from \$66.86 and of women 4.7 per cent to \$39.29 from \$37.52. Salaries for men rose 5.9 per cent an average to \$99.05 from \$93.50 and for women the average rose 4.9 per cent to \$49.31 from average to \$99.05 from \$93.50 and for women the average rose 4.9 per cent to \$49.31 from \$47.02.

Average hours of wage-earners and salaried employees decreased slightly, except for salaried women whose average was unchanged at 37.9 hours. Male wage-earners' hours fell to 42.5 hours from 42.7 for the week and female wage-earners' hours to 39.2 from 39.4. Salaried men's time decreased by one-fifth of an hour to 39.4 from 39.6.

The proportion of women among wage-earners declined slightly in 1956 to 21.4 per cent from 21.6 per cent in 1955, but was unchanged among salaried employees at 27.8 per cent. On the whole, salaried personnel comprised 22.9 per cent of the reported employees in 1956 compared to 22.3 per cent a year earlier.

| By Provinces * | PC | Lib | CCF | SC | IND | Doubtful |
|----------------------|-----------------|----------------|--------------|--------------|-------------|----------|
| Newfoundland | 2(2) | 5(5) | | | | |
| Prince Edward Island | 4(4) | 0(0) | | | | |
| Nova Scotia | 12(10) | 0(2) | | | | |
| New Brunswick | 7(5) | 3(5) | | | | |
| Quebec | 50(9) | 25(64) | | | 0(2) | |
| Ontario | 68(61) | 13(21) | 3(3) | | | |
| Manitoba | 14(8) | 0(1) | 0(5) | | | |
| Saskatchewan | 16(3) | 0(4) | | | | |
| Alberta | 17(3) | 0(1) | | | 0(13) | |
| British Columbia | 18(7) | 0(2) | 4(7) | | 0(6) | |
| NWT and Yukon | 1(1) | 1(1) | | | | |
| Totals | 209(113) | 47(106) | 8(25) | 0(19) | 0(2) | |

* Totals for Provinces at dissolution.

the hands of a PC candidate in Peace River, Alta., and CCF stalwart M. J. Coldwell in Rosetown-Biggan, Saskatchewan.

The entire PC cabinet was returned to office.

NOW CANADIAN-OWNED

Mr. Alvin Hamilton, Minister of Northern Affairs and National Resources, has announced the transfer from the United States to Canada of ownership of the Canadian portion of the 4-inch Canol pipeline running from Skagway, Alaska, to Whitehorse in the Yukon Territory.

This pipeline is one of several built by the United States during the Second World War to ensure a continuous flow of petroleum products from continental United States to Alaska at a time when sea routes were threatened by enemy submarines. Negotiations which had been going on during the past year culminated in Mr. Hamilton's announcement. Separate negotiations with the United States Government are continuing for the transfer to Canada of the remaining Canol pipelines located on Canadian soil.

Mr. Hamilton also said that it is Canada's intention to lease the Canadian portion of the pipeline to the White Pass and Yukon Railway Company which will operate the entire line as a common carrier. "The acquisition of this important pipeline by Canada", the Minister said, "constitutes another step forward in the Government's policy of national development in that it brings the Canadian portion of this American-built pipeline under Canadian

As a result of the most shattering election victory since Confederation, the PC's hold a record number of seats in the new Parliament, and the Liberal Party representation is the smallest ever recorded, the previous low being 69 in 1878.

sovereignty and control. Substantial benefits will accrue to the people of the Yukon because the ownership of the Canadian section by Canada makes it possible for consumers in the Yukon Territory to obtain petroleum products at lower prices".

SUCCESSFUL TEST FLIGHT

The Avro Arrow, the world's largest jet interceptor, made a successful test flight at Toronto's Malton airport last week. Development flying is now expected to continue at a gradually increasing pace until, in approximately two years, the design has been refined sufficiently to permit large scale production for the Royal Canadian Air Force.

Prime Minister Diefenbaker has said that each Arrow entering squadron service will represent an investment of about \$4,000,000. The delta-wing design is projected as the successor to the Avro CF-100.

At no time last week was an effort made to extract high performance from the twin-engine craft, which is designed to fly in the region of 1,500 miles per hour and to climb to 12 miles' altitude in four minutes. Those tests will come later.