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VOICES ACROSS THE ATLANTIC

The following is a partial text of an address by Prime Minister Diefenbaker at a ceremony on December 19 in Ottawa inaugurating the new trans-Atlantic telecommunications cable linking Great Britain and Canada:

"...The opening of the new trans-Atlantic telecommunications cable, known as CANTAT, which will link the United Kingdom and the Dominion of Canada, is a truly historic event.

"It was this Government which proposed at the Commonwealth Trade and Economic Conference held in Montreal in September 1958 that the Conference accept the plan in principle for a round-the-world Commonwealth telephone-cable system. I should add that Lord Home, now the Foreign Secretary, who represented Britain at the Montreal Conference, supported the Canadian proposal.

"Her Majesty The Queen has graciously consented to address to me the first words which will be carried officially over the new cable, and it is an honour which has been given to me to participate with Her Majesty in the conversation which in a few minutes will officially open the cable, the first link in the Commonwealth system.

"The new trans-Atlantic cable will provide 60 additional circuits between Britain and Canada, and will join those in earlier cables laid between Britain and Canada and the United States. These circuits will eventually be connected by the Canadian inland circuits to the Pacific cable, which will, when completed in 1964, go to New Zealand and Australia.

"As the Commonwealth cable proceeds ever westward, additional countries have been brought

into the planning. Last June, the Governments which have already participated in the planning and construction of the Atlantic and Pacific cables - the United Kingdom, Canada, Australia and New Zealand - met in Kuala Lumpur, Malaya, with those other Commonwealth countries interested in cable extension from Australia to Southeast Asia.

"Agreement on the construction of SEACOM, as the third link will be called, will pave the way for the consideration of the fourth link stage, which will include India, Pakistan and Ceylon.

"It is 87 years ago since Alexander Graham Bell invented the telephone at Brantford, Ontario. On August 10, 1876, the first telephone message in history was sent from Paris, Ontario, to Brantford -- a distance of eight miles. Vast changes have taken place since Bell's telephone-wire carried only voice on a one-way transmission. The CANTAT cable will carry most of the other media of mass communication -- telex, telegraph, radio photographs, slow-scan television and data transmission.

"The construction of the Commonwealth round-the-world cable represents and means more than improved communication.

"The cable will be an incentive and impetus to Commonwealth trade, since trade depends upon communications for its proper development. Trade between nations has always followed the best communication routes, and the new cable facilities will not only assist in expanding trade between Commonwealth countries but will improve trade between individual Commonwealth countries and non-Commonwealth countries...."

THE CABLE COMES TO LIFE

Part of the conversation over the new line between the Queen and Prime Minister Diefenbaker is reprinted below:

The Queen: I am delighted to be able to speak to you on this new cable from my house in London. I am sure that this new link across the Atlantic is going to bring the peoples of Canada and Britain still closer together. It has been a skillful and highly imaginative enterprise and a splendid example of co-operation between Commonwealth countries.

Prime Minister: Yes, Your Majesty, this day marks an achievement. In Britain and in Canada there is pride based on ownership and on manufacture. In addition we can take pride, together with other members of the Commonwealth, in the completion of the first section of a round-the-world cable in which other members of the Commonwealth will ultimately take a more active role.

The Queen: Some of those responsible for the construction and laying of the cable are now listening to our conversation. I congratulate them on the great success which they have achieved. I am proud of the fact that the Commonwealth leads the world in its telecommunications system and I look forward to the day when the cable will be extended to other countries in the Commonwealth.

Prime Minister: As you know, Your Majesty, the next overseas link spans the Pacific Ocean to connect Canada with Australia and New Zealand and is to be completed before the end of 1964. In this connection we are very pleased to have with us today Mr. J.R. Marshall, Deputy Prime Minister of New Zealand, who is visiting Ottawa at the moment.

The Queen: How, then, will the cable cross Canada itself? One of the things which has always impressed me on my visits to Canada is the vast distance between St. John's and Vancouver.

Prime Minister: Instead of laying a land line across Canada, a special wireless link will be used to connect the trans-Atlantic and trans-Pacific cables.

The Queen: I hope that, despite all the difficulties which will have to be surmounted in completing a scheme stretching round the world, work on the further stages will go steadily forward to forge these new and vital links between Commonwealth countries.

Prime Minister: It is most important for Commonwealth countries to have the quickest and most reliable means of communication with one another. These new cables will enable us at all times to talk to each other and will strengthen the bonds within our family of nations which bind us together. The cable being inaugurated is an admirable example of a truly Commonwealth venture. It shows how well the members can work together in a practical and constructive way to the general advantage through Commonwealth meetings, such as in the Commonwealth Trade and Economic Conference held in Montreal in September 1958, at which agreement in principle was reached for a Commonwealth round-the-world telephone-cable system....

The Queen: ...I now declare open this telephone cable linking Britain and Canada. I feel sure that it will help to strengthen the ties between the peoples of the Commonwealth and will lead to even closer understanding. May it be used at all times to promote peace, happiness and prosperity.

NEW REHABILITATION ACT

The new act dealing with the vocational rehabilitation of disabled persons passed at the last session of Parliament was proclaimed at the beginning of December. Commenting on it, Mr. Michael Starr, the Minister of Labour, said: "This act is the result of many years of Canadian experience in the rehabilitation of the disabled. It is another step towards our goal of providing help for every man, woman and child in Canada who needs rehabilitation".

Vocational rehabilitation includes all the services needed to help a disabled person become vocationally useful in a job or at home.

FEDERAL-PROVINCIAL CO-OPERATION

Canada's national programme of rehabilitation for the civilian disabled is based on co-operation between the Federal Government, the provincial governments, and the private voluntary agencies. The Federal Government provides co-ordination and financial help through the Department of Labour and the Department of National Health and Welfare. Employment placement services are provided by the National Employment Service.

The new act clarifies and broadens the responsibilities of the Government of Canada in the vocational rehabilitation field. At present, new agreements under the act are being worked out with all the provinces, according to Mr. Starr.

SHIFT WORK IN MANUFACTURING

Although there has been a steady increase in recent years in the number of Canadian firms that have regular shift work, only about one-third of the 7,900 manufacturing plants covered in a Labour Department survey have reported regular shift operations. This is one of the findings revealed in a publication entitled "Shift Work and Shift Differentials in Canadian Manufacturing Industries", recently released by Mr. Michael Starr, the Minister of Labour. The booklet is the second in a series of monographs dealing with a variety of topics of specific interests to labour and management.

In each of the surveys carried out since 1953, there have been slight increases in the percentage of firms involved in shift work, ranging from about 24 per cent in 1953 to almost 32 per cent in 1959.

REGULAR SHIFT OPERATIONS

The 1959 survey showed that regular shift operations are not carried on in a majority of Canadian manufacturing industries. Those firms reporting

regular shift work employed, however, about two-thirds of 819,000 non-office employees covered in the survey.

Four-fifths of the 2,500 establishments reporting regular shift operations paid shift differentials. These plants employed 93 per cent of the non-office workers employed in establishments with shift work.

The most common form of shift differential payment was the "cents-per-hour" type. Eighty-five per cent, or 1,732 plants reporting shift differentials, used this type of payment. This usually takes the form of a definite supplementary amount for each hour of evening or night-shift work in addition to the regular day-shift pay. Generally, the same amount applies to all workers regardless of the level of their wage rates.

PM TO VISIT SCANDINAVIA

Prime Minister Diefenbaker recently announced that the Governments of Sweden, Denmark and Norway, having learned that he had accepted an invitation from the President of Finland to pay a return visit to that country, had also invited him to visit their countries. The Prime Minister was pleased to accept these invitations, although dates for the visits have not yet been considered.

LAKE ONTARIO LEVELS REFERENCE

The Secretary of State for External Affairs, Mr. Howard Green, recently announced the public release of the International Joint Commission's Report on the Water Levels of Lake Ontario dated April 5, 1961. The subject had been referred to the Commission for investigation and report by the Governments of Canada and the United States on June 25, 1952, pursuant to Article IX of the Boundary Waters Treaty of 1909. Under this reference, Canada and the United States asked the Commission to study the various factors affecting the fluctuations of Lake Ontario water levels and to determine whether action could be taken by either or both governments to bring about a more beneficial range of levels. The investigation was carried out in conjunction with related studies concerning applications for the development of power in the International Rapids Section of the St. Lawrence River.

OBJECTS OF STUDY

The Commission's investigations were organized to evaluate effects of various factors on the levels of Lake Ontario, to determine the possibility of regulating Lake Ontario so as to reduce the range of water levels, to determine desirable changes in existing works or other measures in the public interest, and to evaluate the effects of changes in existing works and other measures on various interests - riparian, navigation and power.

The Commission's recommendation for Lake Ontario of a range of stage of 244.0 feet to 248.0 feet (as nearly as possible) was accepted by the two governments in December 1955. In its Order

of Approval dated July 2, 1956, the Commission recommended that regulation of the outflows of Lake Ontario and of the flows through the International Rapids Section of the St. Lawrence River should be carried out in accordance with certain criteria, including the above range of stage. Another criterion provided that, in the event of water supplies in excess of past supplies, the regulatory works should be operated to provide relief to riparian owners both upstream and downstream and, in the event of supplies less than those of the past, to provide relief to navigation and power interests. A plan of regulation was instituted on April 20, 1960, on the basis of recommendations of the Commission and no further action by the two governments was, therefore, recommended in the Commission's Report.

COMMONWEALTH EDUCATION MEET

The Secretary of State for External Affairs, Mr. Howard Green, recently announced that Mr. George A. Drew, High Commissioner for Canada in London, would lead the Canadian delegation to the Second Commonwealth Education Conference, to be held in New Delhi January 11 - 25, 1962. Mr. Drew was head of the Canadian delegation to the first Commonwealth Education Conference, held at Oxford in July 1959. Since that time he has served as Canadian representative on the Commonwealth Education Liaison Committee in London. This Committee, which is composed of representatives of Commonwealth governments and a single member representing British Colonial territories, was established to enable governments of the Commonwealth to consider together the development of the schemes of educational co-operation agreed upon by the Oxford Conference.

METALS SPECIALIST TO LONDON

Mr. George Hees, the Minister of Trade and Commerce, recently announced that a metals and minerals specialist would be stationed in London, England, Mr. J.M. Rochon, Chief of the Metals and Minerals Division of the Department, will be seconded for duty with the Trade Commissioner Service and take up duties as Commercial Counsellor (Metals and Minerals) in London in January. His territory will include the European Economic Community.

Mr. Hees said the appointment had been made in recognition of the increasing importance of metals and minerals in Canada's export trade, and in the expectation that additional trade promotion could be undertaken in Europe.

Canadian exports of metals and minerals lead all product groups, and sales of these commodities amounted to over \$2 billion in 1960 - more than 41 per cent of Canada's total exports to all markets. Purchases by Britain and the European Economic Community amounted to \$592 million, and represented 27 per cent of Canada's shipments to all countries.

CANADA - MEXICO AIR AGREEMENT

An air transport agreement between the Governments of Canada and the United Mexican States, signed in Mexico City on December 21 by W.A. Irwin, the Canadian Ambassador to Mexico, and Manuel Tello, Minister of Foreign Affairs for Mexico, replaces the 1953 agreement. Like its predecessor, the new instrument provides for the designated airlines of both countries to fly between both the West Coast of Canada and Mexico and Eastern Canada and Mexico, and to specified points beyond. In addition, however, it provides for more traffic centres to be served on the routes between the two countries. These now include Montreal, Toronto and Windsor in Eastern Canada, Calgary and Vancouver in Western Canada, and Mexico City and Guadalajara in Mexico.

As in the past, the designated airlines of either country will be able to carry traffic beyond the other country from only one point on each route. For Mexico, these points are Vancouver on the western route and Montreal on the eastern route. For Canada, Mexico City is the point on each route.

The signing of the agreement, which will mark the inauguration for the first time of pure jet services between the two countries, reflects the need for expanded air services between Canada and Mexico and is a further step towards strengthening the ties of friendship and co-operation between them, it was stated by Mr. Léon Balcer, the Canadian Minister of Transport.

NATIONAL ACCOUNTS

Canada's Gross National Product, which is seasonally adjusted, rose to \$37,364 million, or 2.7 per cent, in the third quarter of 1961, continuing the upward trend that had been resumed in the second quarter of the year after a brief interruption. The gain was the largest quarter-to-quarter advance for some time, and was almost wholly accounted for by an increase in the physical volume of output; the price index of total Gross National Product remained relatively unchanged in the quarter. This most recent gain in output has raised the physical volume of production to a level about 3 per cent above the first quarter of 1960, which marked the peak of the last business cycle expansion.

The production advance in the third quarter was supported by a substantial increase in labour in-

come, the largest since 1959, and a further marked advance in corporation profits, bringing them above the peak level of the fourth quarter of 1959. National income rose by 4 per cent. On the demand side, the expansion in total final purchases was one of the largest on record. All components of the gross national expenditure were rising in the quarter, with the exception of business inventories, where the rate of accumulation was moderately lower, and agricultural inventories, which were affected by a poor crop out-turn in Western Canada. In particular, the reversal of a two-quarter down-trend in business outlays for new plant and equipment added a sizable element of renewed strength to total final demand in the quarter. Outlays for new housing were also higher, following the small second-quarter decline. Transactions on current international account exerted a neutral effect, however, as the rise in exports of goods and services was matched by a corresponding rise in imports, and the deficit remained unchanged. Government and consumer outlays continued to provide an expansionary influence on the total flow of expenditures in the economy.

With nine-month data now available, it is possible to suggest an order of magnitude for the year 1961 as a whole. In the first nine months of the year, the Gross National Product averaged about 2 per cent above the same period of 1960. The rise in final product prices between the two periods amounted to about 1 per cent, so that, in physical volume, production was up over a year earlier by about 1 per cent. The post-war average increase in the physical volume of output amounted to approximately 4 per cent a year.

PRODUCTION

Output in physical volume showed an increase of about 2.5 per cent from the second to the third quarter of 1961, after adjustment for seasonal variation. The quickening tempo of economic activity was apparent in almost all industry groups, but was particularly evident in the goods-producing industries, where the impact of the down-turn has been chiefly felt. Output in this group was up about 3.5 per cent, as opposed to an increase of less than 1.5 per cent in the service-producing industries. Manufacturing production advanced by 3.5 per cent, with widespread increases in both the durable and non-durable goods-producing industries.

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