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INTERNATIONAL PAYMENTS

The shape of the Canadian balance of payments in the second quarter of 1962 reflected many important developments. There was an enlargement in the current-account deficit to \$377 million from \$353 million in the first quarter and a sharp rise in net capital outflows (before changes in official holdings of gold and foreign exchange and special financing) to \$216 million from \$11 million. Official exchange holdings that fell by \$364 million in the first quarter fell by a much larger amount in the second, until the announcement of a comprehensive government programme to relieve the pressure on the Canadian dollar in the exchange field, to bring about a greater stabilization in Canada's international transactions and to strengthen the exchange reserves. After receipt of special international borrowing with a Canadian dollar value of \$707 million, there was an increase of \$114 million in official exchange holdings during the quarter.

The increase of \$62 million in the current-account deficit in the second quarter over the same period of the previous year was chiefly from a further widening to \$333 million in the imbalance from non-merchandise transactions, owing mainly to larger payments to non-residents of interest and dividends and for business and other services. On merchandise account there was a small increase, to \$44 million in the import balance, with both exports and imports of merchandise rising to new peak values. Demands from the United States for exports were particularly strong in this period, and

there were also increases over the previous year in shipments to Britain and the OECD nations.

CAPITAL OUTFLOW

Much greater changes occurred on capital account with the rapid expansion in the net outward movement to \$216 million, made up of net outflows in long-term forms of \$48 million and in short-term forms of \$168 million. This contrasts with the predominant inflows on long-term account characteristic of a prolonged period before this year. In the June quarter there was a contraction in net inflows of direct investment in Canada to the lowest levels for many years, combined with a variety of outflows through portfolio-security transactions and various short-term channels. The largest item of capital outflow was \$242 million, covering increases in Canadian holdings of foreign bank balances and similar short-term funds abroad, apart from official holdings. The movement brought the estimated total of these holdings to nearly \$1,300 million.

Canada's merchandise trade with other countries in the first half of 1962 rose to unprecedentedly high levels, both for exports and imports, the rising trend continuing into the second quarter. Some of the increases in the values of both kinds of trade are a reflection on the change in the foreign-exchange value of the Canadian dollar; but increases in volume were also substantial. As the increases in both exports and imports, when adjusted for balance-of-payments purposes, were of comparable magnitude, there was only a relatively small balance on mer-

chandise trade, an import balance of \$49 million in the half year, about twice the small balance in the same period of the previous year.

NON-RESIDENT INVESTMENT

At \$333 million, the deficit from "invisible" transactions in the second quarter of 1962 was roughly 15 per cent higher than the level for the corresponding quarters of the two preceding years. The widening of the deficit was derived largely from accelerated transfers of the returns on non-resident investment in the form of interest, profits and dividends, royalties, rentals, etc., and larger payments for non-resident business services of other kinds. These latter have been induced by high levels of production, and higher cost of the purchases due to currency devaluation. Changes in the opposite direction occurred in balances from travel expenditures and migrants' funds between the June quarters of 1961 and 1962. A sizeable increase in the spending of United States travelers in Canada, partly offset by smaller gains in payments to the United States and overseas, accounted for the reduction in the deficit on travel account, while larger *per capita* funds of immigrants in the quarter had the effect of cutting the deficit moderately. The largest increase was recorded in the income account, where a decline in receipts of interest and dividends from \$59 million to \$50 million, with a rise in the payments of both interest and dividends from \$174 million to \$206 million, raised the combined imbalance from \$115 million to \$156 million in the second quarter of 1962.

The 20 per cent rise in Canada's current-account deficit in the second quarter of 1962 was concentrated in transactions with the "other-countries" group, which recorded a reduction of \$75 million in the surplus from \$95 million to \$20 million. There was a rise in the deficit with the United States from \$434 million to \$441 million. An improvement in the merchandise-trade deficit with the United States through a larger increase in merchandise exports than in imports was overtopped by a fairly large rise in the deficit on "invisibles". In transactions with Britain, an increase of \$20 million in the current-account surplus occurred, from \$24 million to \$44 million, mainly through a gain in Canadian exports.

COMPUTER FOR WEATHER RESEARCH

A high-speed electronic computer has been procured on lease for the Meteorological Branch of the Department of Transport. The Bendix G-20, obtained from Computing Devices of Canada Limited, has been delivered to the Meteorological Branch's Central Analysis Office at Montreal International Airport, where installation is under way.

The computer will be used primarily in the comprehensive weather analyzing and forecasting programme that is made available to all Canadian meteorological centres. It will also be used for mathematical calculations in meteorological research, particularly in radiation and energy studies.

FISH MISSION TO EUROPE

A Canadian trade mission left Ottawa for Europe on September 28 to study the European market for frozen-fish products. The seven-man mission is composed of members of the frozen-fish trade in Newfoundland, Nova Scotia, Quebec, and British Columbia, a representative of the Canadian Labour Congress, an officer of the Department of Fisheries and an officer of the Department of Trade and Commerce. The group is visiting Britain, France, West Germany, and Italy; it will return to Canada on November 2.

The main purpose of the mission is to examine in detail the European market for frozen-fish products and to report on the market's potential to the Canadian fisheries industry. It is also hoped that the mission will focus the attention of the European trade on Canada as a dependable supplier of top-quality frozen fish.

With the co-operation of Canadian trade commissioners in London, Paris, Hamburg, and Rome, mission members are paying calls on leading importers of fish products and government fisheries officers in the important market and producing centres. Members are also availing themselves of the opportunity to visit frozen-fish plants in these countries to see at first hand the processing methods now in use. Brief visits are also being made to salt-fish plants in France and salt-fish importers in Italy, so that the members of the mission may report new developments in this field to interested salt-fish producers in their provinces at home.

THE BRITISH MARKET

Mr. Hees said that the removal, late in 1959, of restrictions of imports of fresh and frozen fish to Britain opened a new outlet for exports of Canadian products in this category. Before the Second World War and during the war years, Britain purchased substantial quantities of frozen fish from Canada, including salmon and halibut. In 1960, important sales of frozen-cod fillets and blocks were also made there, and these exports increased from 1.1 million pounds to nearly 7 million pounds in 1961. Indications are that sales in Britain this year may prove to be even greater. Refrigerated-food merchandising has also expanded greatly in other countries of Europe and importers have shown considerable interest in Canadian quality fish products. The freshness of these products is assured by the proximity of the Canadian plants to the fishing grounds.

Before their departure, members of the mission met in Ottawa to be briefed and to discuss the arrangements made for them to meet members of the fisheries trade and government officials in the countries to be visited. On their return to Canada, they will prepare a general report on their observations, which the Department of Trade and Commerce will make available to the Canadian fisheries industry.

(C.W.B. October 10, 1962)

LEBANESE CENTRE CANADIAN GIFT

On October 2, Mr. Paul Beaulieu, Canadian Ambassador to Lebanon and Iraq, represented Canada at the opening of the Vocational Training Centre for Palestine Refugees at Siblin, Lebanon, which was made possible by special Canadian contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

Siblin Vocational Training Centre has been constructed by UNRWA as part of a programme announced in 1960 to increase the educational and vocational-training facilities available to refugee youths. Canadian support was given to the UNRWA programme from its inception and, in response to an appeal from Dr. Davis, Commissioner-General of UNRWA, the Government provided a special gift to UNRWA in connection with World Refugee Year of \$1 million in the form of wheat flour, on the understanding that the gift would be used for the establishment of vocational-training centres. Siblin is the first such centre to be constructed. A second is under construction at Homs in Syria.

The following is the text of the message:
"On the occasion of the opening of Siblin Vocational Training Centre I am happy to convey to the Government of Lebanon the cordial greetings of the Government of Canada. I would like to express a special word of appreciation to ... Mr. Kamal Jumblatt, whose generous gift of land has made him a partner of Canada in the construction of the Centre. I would also take the opportunity to congratulate the Commissioner-General of UNRWA and his able and devoted staff on the completion of this stage in UNRWA's accelerated programme to increase its educational and vocational-training facilities.

UNRWA's programme has won Canadian support since its inception. In 1960 Dr. Davis expressed the hope that the talents of refugee youths could be salvaged by a programme of general education and specialized training that would fit them for employment in an era of technological progress. Canadian endorsement of this programme took the form of a special gift to UNRWA, in connection with World Refugee Year, of one million dollars worth of wheat flour to make possible the construction of vocational-training centres.

Siblin is the first of two Canadian-financed training centres to be built by UNRWA. On this, the day of its inauguration, it stands as a symbol of international co-operation to improve the lot of distressed human beings. That Canada has been able to participate in this as in other aspects of UNRWA's work is a source of pride and satisfaction to all Canadians."

NEW ENVOY TO NETHERLANDS

The appointment has been announced of Mr. Frederick Bull as Canadian Ambassador to the Netherlands. Mr. Bull, at present Canadian Ambassador to Japan, replaces the late C.P. Hébert, whose death occurred July 29 in The Hague.

Born in Weston, Ontario, in December 1903, Mr. Bull graduated from the University of Toronto with

a Bachelor of Commerce degree. In 1929 he was appointed to the Trade Commissioner Service of the Department of Trade and Commerce. After serving as Assistant Trade Commissioner in New York and Trade Commissioner in Trinidad, Mr. Bull was appointed Trade Commissioner to New Zealand. He later served in Washington as Commercial Attaché and in 1945 returned to Canada to become Director of the Export Division of the Department of Trade and Commerce. In 1949 he was appointed Director of the Commodities Branch and the following year became Assistant Deputy Minister. He became Deputy Minister of the Department of Trade and Commerce in 1951. Since 1957, Mr. Bull has served in Tokyo as Canadian Ambassador to Japan.

AUGUST SEAWAY TRAFFIC

Nearly 15,000,000 tons of cargo have passed through the Montreal-Lake Ontario section of the Seaway so far this year, an increase of 8.4 per cent to the end of August, compared to the same period last year. The Welland Canal section of the Seaway has carried 21,000,000 tons of cargo since its opening in April, compared to 18,600,000 tons during the same period last year, for an increase of 12.1 per cent.

This information was provided by the two Seaway entities, the St. Lawrence Seaway Authority (Canada) and the Saint Lawrence Seaway Development Corporation (U.S.), whose records reveal that August 1962 showed a gain in cargo movement of 7.6 per cent over last August on the St. Lawrence section and an increase of 4.8 per cent on the Welland Canal section of the waterway.

Upbound movements accounted for the greater part of the traffic. Bulk commodities exceeded 90 per cent of the total, and vessel transits continued to indicate a steadily increasing number of larger vessels passing through the system, with greater cargoes being carried in fewer ships.

CANADIAN CUSTOM EQUIPMENT

Canadian achievements in the design and development of custom-built production machinery and equipment are explained in the booklet *Production Machinery And Equipment From Canada* recently issued by the Department of Trade and Commerce to illustrate and describe the Canadian exhibits at the 1962 Western Tool Exposition and Conference held in Los Angeles, California, from October 1 to 5.

By means of text and photographs, the booklet describes special features of the machinery manufactured by the 10 Canadian companies participating in the exhibit. Included in the nine Canadian machines shown in actual operation were a numerical-control unit operating a metal-working machine, an automatic-injection molding machine capable of turning out 60 plastic coffee cups a minute, an automatic line-tracing device that could be used for engraving, woodworking and shaping, map and chart-making, lathe and contour milling, and a ram-turret milling machine with hydraulic tracing attachment.

POPULATION BY AGE AND SEX

The number of Canadians less than 15 years old increased by nearly 2,000,000 in the 1951-61 period, according to 1961 Census figures by five-year age groups and sex published recently by the Dominion Bureau of Statistics. This report gives more detailed information on the age distribution of Canada's population than was contained in an earlier advance report by specified age groups and also shows the age distribution for males and females.

The population under 15 years of age rose from 4,250,717 in 1951 to 6,191,922 in 1961 and formed 34 per cent of the total population, compared to 30 per cent a decade earlier. Children 10 to 14 years of age accounted for most of this increase, with a gain of 725,216 or 64 per cent over the 1951 total of 1,130,783. This extreme increase in the 10-to-14 age group between 1951 and 1961 reflects the high birth rates in the 1946-51 post-war period contrasted with the relatively low rates of the 1936-41 period. In 1961, males exceeded females in each of the five-year age groups under 15.

WORKING PEOPLE

While the population in the working-age group, i.e. 15 to 64 years, increased substantially in the decade (1,982,732 or 23 per cent), the relative proportion was 3.5 per cent lower at 58.4 per cent in 1961 than in 1951, when 61.9 per cent were in this age group. This was owing largely to the modest growth in the 20-to-29 age group (persons born in the 1930's, when birth-rates were at their lowest), which increased by less than 8 per cent in the decade. In 1961, there were 102,199 more males than females 15 to 64 years of age and all five-year groups in the range, except the 20 to 24 and 35 to 39, showed a preponderance of males.

The proportion of older persons in the population of Canada, i.e. those 65 years and over, was approximately the same in 1961 as in 1951 (7.6 per cent compared to 7.8 per cent). However, those 65 to 69 years of age increased by 53,605 or 12 per cent and those 70 and over by 251,276 or 38.5 per cent in the decade. Females accounted for 182,067 or close to 60 per cent, of the increase in persons 65 years and over between 1951 and 1961 and outnumbered males in 1961 by 42,920.

PROVINCIAL PROPORTIONS

Newfoundland, with 42 per cent, had the largest proportion under 15 years of age in 1961, and British Columbia had the lowest, with 31 per cent. However, British Columbia, with Ontario, had the largest relative increase in this age group between 1951 and 1961. In British Columbia the number of persons under 15 years of age increased by 204,756 or 67 per cent over the 1951 total of 304,387, raising the pro-

portion in this age group from 26 per cent to 31 per cent. Similarly, the population under 15 years of age in Ontario increased by 62 per cent, the proportion rising from 27 per cent in 1951 to 32 per cent in 1961.

Ontario, with 60 per cent, had proportionately more persons in the working-age group, i.e. 15 to 64 years, in 1961 than any other province, while Newfoundland, with 52 per cent, had the lowest. All provinces had a smaller proportion in this age group in 1961 than a decade earlier, the most significant change occurring in Ontario, where the proportion fell from 64.3 per cent in 1951 to 59.7 per cent in 1961. Provincially as nationally, the 20-to-29 age group was largely responsible for the reduction in the proportion of the population in the working-age group. Prince Edward Island, New Brunswick, Manitoba and Saskatchewan showed an actual decrease in the population 20 to 29 years of age between 1951 and 1961, while in Nova Scotia the numbers in this age group remained virtually unchanged. Modest increases of approximately 10 per cent were recorded in Newfoundland and Ontario, while Alberta and British Columbia showed the largest increase in the 20-to-29 age group, with gains of 21 per cent and 15 per cent respectively.

In the 65-and-over age group, British Columbia and Prince Edward Island, with 10 per cent, had the highest proportion, and Quebec had the lowest, with 5.8 per cent. The percentage increase in this age group was most marked in Alberta, Quebec and British Columbia, with gains of 39 per cent, 32 per cent and 31 per cent, respectively, compared to a national average of 28 per cent.

U.K. ARMY SCHEMES IN CANADA

Two groups of British Army regulars will train in Canada this winter to get experience in winter warfare techniques. The units are "O" Battery of the 2nd Regiment, Royal Artillery, and a parachute-company group from the 3rd Battalion, The Parachute Regiment.

The 120 gunners will train at the Royal Canadian School of Artillery at Camp Shilo, Manitoba, from November 12 to December 15. They will bring their 105-millimeter pack-howitzers with them, since the Canadian Army does not use this weapon. The battery will do cold-weather firing and practice winter gun drills.

A group of 169 parachutists will arrive at Fort Churchill on January 28, 1963, where they will take a 13-day winter indoctrination course before going on to the Canadian Joint Air Training Center at Rivers, Manitoba, for winter parachute training. They will return to the United Kingdom on February 28.

The artillery training exercise is called "Bright Water"; the parachutists' scheme, "Frozen Jump".
