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EXPORTS AND FOREIGN POLICY

Speaking to the Canadian Exporters' Association at the Seignior Club, Montebello, Quebec, on October 14, Mr. Howard Green, Secretary of State for External Affairs, said in part: "...In the months since I assumed my present office, I have frequently had to deal with down-to-earth problems relating to international trade and economic relations, for such matters are, in fact, part and parcel of our external relations. For this reason, I should like to make a few observations on the international economic scene, and to outline for you what our policy is towards some current problems.

"...I do not think it is too simplified a definition to say that the purpose of a country's foreign policy - any country's foreign policy - is to look after the best interests of its citizens. Some of these interests are economic, some of them are cultural, some are personal; *all* of them are inexorably bound up in the overriding objective of maintaining world peace. And I submit that, second only to this paramount objective, and, indeed, a prime factor in its achievement, is the promotion of the economic well-being of the world. Human beings whose economic circumstances are improving will, in general, be less likely to have aggressive designs on their fellows, and it is also true that the more prosperous a country is, the more difficult it will be for a Government to place that prosperity in jeopardy for the sake of some chauvinistic objective....

"One reflection in our foreign policy of the importance which the Canadian Government attaches to the promotion of the economic well-being of the international community has been the active part we have played in the field of assistance to the less-developed regions of the world....

"Some of our assistance has been provided under the auspices of the United Nations, which has in many ways proven itself to be extremely well suited to such purposes....The economic work of the United Nations General Assembly is handled by the Assembly's second committee, which is becoming a very important forum for the discussion of all these questions. This committee deals with such matters as international commodity problems, economic development of the under-developed countries, and technical assistance. It has some notable achievements to its credit, including the recent creation of the United Nations Special Fund. In the past year, Canada was the largest *per capita* contributor to the Special Fund and the Expanded Programme of Technical Assistance.

"More recently there have been discussions concerning the proposed new International Development Association. This Association, in the form in which it is envisaged at present, would have an initial capitalization of \$1 billion, of which Canada's share would be about \$38 million. Although some aspects of it still have to be worked out, this Association could give a strong impetus to the economic development of less-developed countries....

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"Since 1951 Canada has contributed close to \$300 million under the Colombo Plan; we have, for example, joined with India in building an atomic reactor, located near Bombay. We have sent engineers and equipment to Pakistan for the construction of the Warsak Dam, aerial survey teams to Malaya, India and Pakistan, and fisheries experts and equipment to Ceylon.

"...One of the things which has particularly impressed me has been the tremendous fund of good-will towards Canada which exists among the countries of Africa and Asia, and Canada's participation in the Colombo Plan has done a great deal to bring about this result.

"As one means of continuing to develop our close relations with these countries, we expect to open a new diplomatic mission in Nigeria next year; in the recent past we have also opened offices in Ghana and Malaya. These countries look to us for friendly co-operation as they take their place in the international community, and it is our duty - and very much in our best interests - to provide such help as we can. I would urge you as Canadian exporters to take advantage of the good-will which exists towards us in these parts of the world. I am sure that there are opportunities now to get in at the beginning in establishing growing trade relations with these newly developing countries.

"I should also like to point out that the improvement of living conditions and commercial life in the less-developed areas of the world cannot but increase the ability of these countries to maintain more flourishing economies and a larger foreign trade, both import and export....

"For example, in 1958 the Canadian Government established a \$10 million fund to assist over a five-year period in the economic development of the new West Indies Federation. A large part of this fund will be spent on two ships, to be constructed in Canada, for inter-island services; the remainder will be devoted to technical assistance and other projects. By providing such assistance we are not only seeking to assist in the development of the new Federation; we are also investing in an important potential market for Canadian goods....

"Important as foreign assistance programmes are in the promotion of the economic life of the international community, they are not the only means to this end. The rate of international economic growth depends also on the flow of international trade and private capital, and this is a field in which, under our non-state trading system, governments can only assist and encourage and not play a direct part. Nevertheless, the policies which governments adopt are by no means unimportant.

"For these reasons, and also because of Canada's position as one of the world's major trading nations, Canadian foreign policy has had as one of its prime objectives the establishment of a multilateral system of trade

and payments. Under such a system, barriers to the flow of international trade and payments are reduced to moderate levels and made non-discriminatory in their application.

"The great benefit of a multilateral system is that trade tends to flow in accordance with relative price considerations instead of being artificially channelled in one direction or another by the need to strike a bilateral balance. The most is made of the world's stock of productive resources and that stock is likely to increase more rapidly than under any alternative system. For these reasons, the achievement of a multilateral system is essential to a maximum rate of world economic development. Moreover, in practical terms, the present Canadian pattern of trade requires a multilateral system.

"I think one of the principal economic lessons the world has learned is that narrowly bilateral trading arrangements are frequently self-defeating policies, and also work against the expansion of world trade, which is so important to exporting countries such as Canada....

"In this connection, I should like to say a few words about the Commonwealth Trade and Economic Conference which was held in Montreal just over a year ago. This, the first full-scale Commonwealth Conference of its type in over a quarter of a century, not only strengthened the trade and economic ties among the countries of the Commonwealth, but it gave a new impetus to multilateral trade policies on a world-wide basis....

"The concrete results of the Montreal Conference were impressive in themselves. Perhaps equally important is the atmosphere which that Conference helped to create. While there may be differences of opinion about how many of the subsequent events were directly attributable to the Conference no one would deny that the constructive attitude displayed in Montreal has influenced the later policies of many countries inside and outside the Commonwealth....

"One of the most important results of the Montreal Conference for Canadian exporters was that it gave an impetus to the relaxation of dollar import controls. The United Kingdom announced the elimination of restrictions on a number of items important to Canadian exporters, and at the same time invited colonial authorities to adopt similar measures. Since that time, restrictions on dollar imports have been relaxed by British Guiana, Nigeria, The West Indies and a number of other territories.

"These are measures of considerable importance to Canada. As the only Commonwealth country in the dollar area, Canada has felt the impact of the sterling area's dollar shortage, and the consequent restrictions on dollar imports have in many cases cancelled out the benefits to Canada of Commonwealth tariff preferences. The recent removal of import licensing on dollar goods by the

CANADA-VENEZUELA VISA PACT

Negotiations between the Venezuelan and Canadian Governments for an agreement modifying the requirements for entry into the two countries were concluded with Dr. Ignacio Luis Arcaya, Foreign Minister of Venezuela, during his recent visit to Ottawa. The agreement, which is in the form of an exchange of notes, comes into force on November 1, 1959. Dr. Arcaya signed a note dated October 5, 1959, on behalf of his Government, and the Prime Minister, in his capacity as acting Secretary of State for External Affairs, signed a note on behalf of the Canadian Government dated October 8, 1959. The formal exchange of notes took place in Ottawa on October 20.

Under the terms of the agreement, Canadian citizens intending to visit Venezuela will be granted multi-entry visas valid for one year at a fee of 10 bolivars (\$2.85) which is one-half the normal fee of 20 bolivars. Canadian citizens proceeding to Venezuela as tourists for a period of up to six months will be granted tourist cards, free of charge. Venezuelan citizens intending to visit Canada will be granted gratis multi-entry visas valid for one year. However, those Venezuelan citizens who do not now require visas, will continue to be admissible without visas. Entry to either country remains subject to the laws and regulations of the country concerned.

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CANADA'S NEW RADIO TELESCOPE

Astronomers of the Dominion Observatories will soon be able to study aspects of matter in outer space which have hitherto been beyond the scope of their optical telescopes.

The Federal radio-astronomy station at Penticton, British Columbia, under construction since February, is taking definite shape and will soon be obtaining greater knowledge of the distribution of neutral hydrogen (which forms the bulk of matter in outer space) among our own and neighboring galaxies.

Construction of the new radio telescope is expected to be completed by the end of the year. The 84-foot-diameter, parabolic, dish-shaped antenna has been hoisted into place on top of a 50-foot supporting tower. Two giant cranes swung the massive, circular mass of structural aluminum alloy to the position where it will sweep the sky, day and night, tracking down and studying radio signals from outer space.

The great advantage of radio astronomy is its ability to pierce the vast dust clouds that obscure huge portions of space from the gaze of conventional telescopes, and the magnified increase it offers in effective range of study over that of optical astronomy. It is also capable of receiving signals during the hours of daylight and through overcast weather conditions.

Just north of the Penticton telescope is the office and control building from which the antenna will be operated. Other buildings which will form part of the radio-astronomy station are a workshop, caretaker's house and a seismographic vault which will be built into the bedrock of a nearby hillock. The station will be served by a new gravel road branching from the public road between nearby White Lake and Kaleden.

The site was chosen primarily for the surrounding hills that shelter the station from other man-made radio waves that would interfere with its operation. Other deciding factors were the site's light snowfall, infrequent storms, and its proximity to the conveniences of a suitable city.

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SIX MILLION PLUS IN ONTARIO

Prime Minister Leslie M. Frost announces that Ontario has passed a major milestone in its history--it now has over six million people. Just six years ago the province's population was five million, and 14 years ago it was four million. The six million mark has been reached as a result of an average annual growth of 167,000 in the past six years, and of 125,000 in the preceding eight years. From 1953 to 1959, the population increased at the spectacular annual average rate of 3.2 per cent--one of the world's highest.

Ontario's rate of population growth has been more rapid than that for Canada as a whole. While Ontario's population has been increasing at 3.2 per cent per annum during the past six years, the rate for the rest of Canada has been 2.5 per cent. The province has accounted for 1,000,000 of the net growth of 2,600,000 in Canada since 1953, and 2,000,000 of the 5,200,000 net Canadian growth since 1945.

Births have been the major source of Ontario's population increase. Since 1945 more than one and three-quarter million babies have been born in the province. In the first six months of 1959, Ontario's births were at a rate of 27 per 1,000 of population--the highest in the province's history. It is anticipated that the number of births in 1959 will approximate 160,000 or 7,000 more than last year.

While Ontario's birth rate has been rising, its death rate has been declining. Since 1949 Ontario's rate of deaths per thousand population has dropped from 10.0 to 8.4.

The other major source of Ontario's population increase has been immigration. In the last 14 years over one million immigrants have come to Ontario from outside our Canadian boundaries. Ontario has also enjoyed a net migration of 10,000 annually from other provinces.

CONSERVATION CONFERENCE

"Many months of intense research and planning will be needed to prepare for this conference", said Resources Minister Hamilton recently, in announcing the secretariat appointed to prepare for the National Conservation Conference. "I am very pleased that we have been able to obtain the services of highly qualified resource economists to prepare for this conference on the conservation and management of, and research into, the renewable resources of Canada."

Mr. Hamilton said the secretariat would work under the direction of a steering committee composed of federal and provincial cabinet ministers.

Decision to proceed with plans for a National Conservation Conference was made at a meeting of provincial and federal Cabinet Ministers at Ottawa in November 1958. The Conference will examine thoroughly the status of the conservation, research and management of the renewable resources and consider ways through which natural resources can be used more wisely and effectively for the greatest long-term benefit to the Canadian people.

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ARCTIC PILOT PUBLICATION

Centuries of Arctic experience and bitterly-gained knowledge of the north, culled from the explorers and scientific expeditions of many nations, have been gathered into a set of three volumes: *The Pilot of Arctic Canada*, the first of which has just been published.

The Pilot is being produced by the Canadian Hydrographic Service of the Department of Mines and Technical Surveys as a guide and book of instruction for mariners whose business takes them into Canada's Arctic waters. It amplifies and enlarges on the information provided by the nautical chart. Within its covers are contained descriptions of coasts, islands, sounds and channels; ice movements, shoals, weather conditions and dangers; known facts and suspected hazards--vital to the safety of ships in high latitudes.

Commenting on the first volume of the new Arctic Pilot, Mines Minister Paul Comtois said that, though produced primarily to assist the northern navigator, the books will be of great interest to others fascinated by the Arctic. They deal in plain facts, knowledge and truth; yet, far from being prosaic, they are alive with romance of the Arctic.

The three volumes will cover the whole of the Canadian Arctic--about one third of Canada's total area. Volume I, containing general information on the Canadian Arctic as a whole, will shortly be followed by Volume II, which will give detailed descriptions of the coasts and adjacent sea areas of the Eastern Arctic, and then by Volume III, which will deal with the Western Arctic.

Some of the features of general interest in the first volume are: a wind-chill chart that illustrates cooling units on exposed flesh by wind speed and temperature; mean temperature charts for various months of the year; a gazetteer of place names together with positions in latitude and longitude; and a history of exploration in the Canadian Arctic. The history, after mention of the Icelandic mariners of the eleventh century, is given in considerable detail from the year 1576. Other information deals with magnetic storms and their effects; the preparation of a ship for navigation through ice; and the movements and detection of icebergs together with their characteristics.

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IMPORTS AND EXPORTS

While Canada's trade picture is responding along traditional lines to the general business recovery, there have been marked changes in the relative importance of individual exports, according to the Bank of Montreal's Business Review for October.

The total value of Canadian exports remained almost unchanged in the first eight months of this year, compared with the same period of 1958. For, although there were declines in shipments of cattle, wheat, aircraft and some minerals, these were offset by larger sales of forest products, farm machinery and some other minerals.

"There have also been significant shifts in the relative importance of Canada's external markets," the Review adds.

"Exports to the United States, which began to rise late last year, have been ten per cent higher . . . while . . . exports to the United Kingdom have declined by four per cent, to other European countries by 25 per cent and to Latin America by nine per cent.

"Thus, the United States, long Canada's principal market, has, at latest report, this year been taking an even larger proportion of our exports - 62 per cent instead of 57 per cent."

However, the Review adds, while the whole export picture shows little change (an increase of one per cent during the eight-month period), the nation's imports have been rising. In the eight months to the end of August, Canadian imports totalled 11 per cent more than in the same period of 1958, with the increases fairly widely distributed between industrial and consumer goods.

Thus the pattern has emerged of reduced Canadian exports to most countries except the U.S., with substantially larger imports from all areas. "This has led", the Bank reports "to considerably altered trade balances - a larger deficit with the U.S., a markedly reduced surplus with the United Kingdom and the rest of the Commonwealth, and a sharp reversal

from an excess of exports to an excess of imports in trade with all other countries as a whole."

Against this background, Canada's traditional deficit in non-merchandise transactions has also continued to grow, and had reached a record \$482 million in the first six months, while the total current account deficit stood at \$837 million.

However, the deficit has been financed by a greater flow of funds into Canada on capital account, the composition of which has shown considerable change, with long-term capital movement accounting for less of the total.

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VANIER HONOURS STRATFORD

His Excellency, Major General Vanier, Governor-General of Canada, recently consented to become a patron of the Stratford Shakespearean Festival.

"We are honoured indeed to have His Excellency's patronage," said David M. Rae, president of the Festival's Board of Governors, "and we hope that during his term of office we may have many opportunities to show our gratitude."

"For the past seven years the Stratford Shakespearean Festival Foundation of Canada has developed to the point that it is now recognized not only nationally but internationally as an expression of Canadian culture. We in the Foundation are naturally very proud of this reputation."

"We are also very proud," Mr. Rae continued, "of the part the Festival has played in bringing the French and English speaking actors of Canada together, and thereby, in a small way, helping to build a greater unity between the two major races of this country."

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U. A. R. SCIENCE STUDENTS

The Secretary of State for External Affairs, Mr. Howard Green, announced recently that a group of students had begun to arrive in Canada from the United Arab Republic to undertake scientific studies in Canadian universities.

Mr. Green said that the U.A.R. Government had recently requested the assistance of the Canadian authorities in finding places for a number of U.A.R. students in Canadian universities, for the current academic year. The Department of External Affairs had approached Dr. H.H. Saunderson, President of the National Conference of Canadian Universities and Colleges, on the matter and, despite the short time available before the beginning of the academic year, the response of the NCCUC and of Canadian universities had been very forthcoming.

The students, who are all at the post-graduate level, have been admitted to the

Universities of British Columbia, Alberta, Saskatchewan, and Manitoba, Western University, the University of Toronto, Ontario Agricultural College, Macdonald College and McGill University. Their fields of study include physics, chemistry, electrical and civil engineering, metallurgy, soil science, soil chemistry and botany. All their expenses will be paid by the U.A.R. Government. These students, some accompanied by their families, have already begun to arrive in Canada and the World University Service has volunteered to meet and assist them upon arrival.

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SINGLE ENVOY TO CUBA, HAITI

The Secretary of State for External Affairs, Mr. Howard Green, announced recently the appointment of Mr. Allan Anderson, as Ambassador Extraordinary and Plenipotentiary of Canada to Haiti.

Mr. Anderson's appointment in a similar capacity to Cuba has already been announced. He will hold both positions concurrently.

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SEPTEMBER EMPLOYMENT

Employment declined seasonally between August and September, largely as a result of the seasonal withdrawal of students who had taken jobs for the summer months, according to a joint press release by the Department of Labour and the Dominion Bureau of Statistics. For the more regular members of the labour force there were some offsetting increases in employment stemming from such developments as the return of teaching staffs, renewed production of motor vehicles in Ontario and the start of relatively heavy pulp-cutting programmes in Quebec, New Brunswick and Newfoundland.

An estimated 6,078,000 persons had jobs in September, 108,000 fewer than the previous month, but 190,000 more than a year earlier. As usual, the largest part of the decline between August and September was in agriculture. There was little change in non-farm industries except for an increase in services and a decrease in trade, both seasonal in nature.

The number of persons without jobs and seeking work declined by 26,000 to an estimated 213,000 between August and September. About half of this decline took place in Quebec, the result of brisk hiring in forestry and textiles. There were 58,000 fewer seeking work than last year at this time, with decreases for both sexes and in all regions.

The number of workers on temporary layoff dropped from 18,000 to 12,000, nearly all the decline occurring in Ontario. The number on short time at 31,000 was unchanged from the previous month but was only about 60 per cent of last year's figure.

EXPORTS AND FOREIGN POLICY

(Continued from P. 2)

Australian Government was, therefore, most welcome, and I have also been greatly encouraged by the recent announcement at the meeting of Commonwealth finance and economic ministers that the United Kingdom has renewed its pledge to remove the remaining barriers against dollar-area exports as soon as possible.

"At the end of 1958 the United Kingdom and a number of major European trading countries announced that their currencies would henceforth be externally convertible. As a result, Canadian exporters are now able to sell anywhere in the world and accept payment in sterling or certain European currencies with the full assurance that they can convert such currencies freely into dollars....

"Canada's direct trade and investment relations with the United States are matters of immense importance to our whole economy. I cannot do more than touch on them briefly at this time. The recently published figures for the first six months of 1959 have aroused some concern at the continuing size of our deficit on merchandise account with the United States. For this period our trade deficit with the United States is \$415 million, compared with \$384 million in the first six months of 1958. The change is largely the reflection of the rapid development of our economy in 1959, and the consequent demand for United States imports. The deficit for the same period in 1957 was \$706 million, and in 1956 it was \$690 million, so that the figure I have given (\$415 million for the first six months of this year) must be compared with the earlier years as well as with last year. Nevertheless, we cannot be complacent about this situation. We must redouble our efforts to bridge this gap in our trade with the United States - both by greater direct exports to the United States and by greater surpluses in our accounts with the rest of the world. In the light of this trade relationship on the North American continent, our great concern to see an end of discrimination and restriction in world markets as a whole takes on new urgency....

"I should now like to consider briefly some of the recent developments in Europe which I know are of considerable interest to you. The European Common Market, grouping six important trading countries, is now a reality....

"The United Kingdom and the other European countries which are not members of this Common Market last year tried to negotiate a 17-country European Free Trade Area which would have included the Common Market of the Six. These negotiations broke down and the Common Market countries have moved ahead on their own. Faced with this division in Europe the United Kingdom and the other European countries have been closely examining alternative ways of protecting their trading interests.

"The course which it now appears will be adopted is the establishment of a Free Trade Association of the Countries known as 'The Outer Seven' - the United Kingdom, Norway, Sweden, Denmark, Austria, Switzerland and Portugal....The main feature of this Association will be the progressive removal of tariffs on all industrial goods within the area over a ten-year period, with each member country setting its own external tariffs. Quota restrictions within the area are to be progressively removed, and special arrangements short of internal free trade are to be worked out for agriculture and fisheries.

"These European regional developments could have far-reaching implications for Canada. First, and most obviously, they will have direct effects on our export trade. Canadian exports to the countries of the Outer Seven totalled \$884 million last year, representing about 20 per cent of our total exports; sales to the Common Market countries represented a further 12 per cent. What the actual consequences of the recent trade arrangements in those countries will be for Canadian exports in the future will, to a large extent, depend on the detailed nature of the arrangements: the height of the tariff, the use of quota restrictions, the agricultural policies which are adopted, and so on....

"Secondly, the way in which the European trade groupings develop will inevitably influence the commercial policies of countries in other parts of the world. If they result in increased trade discrimination against Canada and the rest of the world, the development of multilateral trade, not merely in Europe, but in the rest of the world, may suffer a serious reverse. The commercial policies of countries outside Europe, including the United States, might well be influenced in a restrictive direction, and such a chain of events, once started, could go a considerable distance before it was stopped.

"....It is clear that the past year or so have been marked by the passing of what might be called the postwar world, and a new phase is beginning. Western Europe has largely completed its reconstruction after the ravages of World War II and has now reached a position of unprecedented strength and prosperity. The world's main trading currencies have been made convertible and the outlook for increased trade and freer payments has been greatly improved.

"The relative mildness of the three post-war recessions - none of which has really represented more than a pause before a period of even greater expansion - has given the international trading community confidence in the basic strength and stability of the world economy, as well as encouraging national governments in their moves to dismantle restrictive measures.

"One problem which is of great and immediate concern to me, as the Minister responsible for External Affairs, is disarmament. Aside from the terrible threat to mankind of nuclear weapons, which must overshadow all foreign policy in this age, there is the heavy burden of defence - a burden in terms of taxes and in terms of the great demands for the skills and resources of our people and country. Sometimes one hears the concern expressed that our free enterprise economy requires the stimulation of an arms race to keep it from depression, that we cannot, in fact, tolerate disarmament because of its economic consequences.

"This idea may not be expressed so bluntly, but it may be in the background of some attitudes. I have no hesitation in saying that I regard such expressions of fear or concern as unsound and wrong. Our economy is entirely capable of making this adjustment, and of providing a greater flow of other goods to meet the needs of our own people and our customers abroad. Disarmament talks, in which Canada will take part, will soon be starting again, and I know that the Canadian people have no doubts about the vital importance of success in these efforts...."

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W. I. TRADE PLAN ENDS

On October 14, Mr. Gordon Churchill, Minister of Trade and Commerce, announced that agreement had been reached with The West Indies and the United Kingdom for the termination of the West Indies Trade Liberalization Plan, effective December 31, 1959. He said that the Liberalization Plan, established in 1951, had served a most useful purpose in providing access to the West Indies for Canadian goods, which would otherwise have been completely excluded by import restrictions maintained for balance of payment reasons.

During the past eight years, Mr. Churchill said, as restrictions had been gradually removed, the scope of the Plan had been progressively reduced. As a result of the liberalization measures, which had been carried out in the previous year in line with understandings reached at the Commonwealth Trade and Economic Conference in Montreal in September 1958, most Canadian exports were entering The West Indies without restriction. It was no longer necessary, therefore, to keep The West Indies Trade Liberalization Plan in existence.

Mr. Churchill recalled that special attention had been given at the Montreal Conference to ways of improving and strengthening commercial relations with Canada's traditional trading partners in The West Indies. After the Conference, the United Kingdom had invited all the colonial territories to remove restrictions from a wide range of dollar goods. Subsequently, there had been two major rounds of

the trade liberalization in The West Indies, involving the freeing from control of such important Canadian products as canned soups, vegetables and fruits, prepared breakfast foods, kitchen and household woodenware, cellulose and plastic film, pharmaceuticals, proprietary medicines, toys, pens and pencils and various types of machinery and equipment.

Mr. Churchill said that, for the comparatively few items still under import control, the Liberalization Plan would be replaced by a simple system of import licences and quotas administered by the individual West Indian territories. The West Indies had given formal assurances that they would consult Canada about licensing arrangements for products covered by the Plan, which were not yet liberalized, on the understanding that access generally to West Indian markets for Canadian exports of these products would be on terms no less favourable than in the past.

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SECURITIES TRANSACTIONS

The trading of outstanding Canadian securities between Canada and other countries led to a sales balance or capital import of \$23 million in July, a sharp rise from \$10 million in June but lower than the March and April levels. At the same time, a purchase balance or capital export resulted from trade of outstanding foreign securities, between Canada and other countries, as Canadians acquired some \$11 million of these issues.

Net sales of outstanding Canadian securities comprised \$16 million in bonds and debentures and \$7 million in stocks. Non-residents purchased on the market \$19 million, on balance, of Government of Canada direct and guaranteed bonds, and sold \$3 million worth of corporation bonds. Broadly speaking, the movement involved net capital imports of \$4 million each from the United States and the United Kingdom, and \$8 million from other overseas countries. The sales of stocks were, on balance, entirely to the United States, small repurchases from the United Kingdom offsetting sales to other overseas countries.

Canada's net purchases of outstanding foreign securities, which were larger in July than for many months past, were mainly from the United States and included about \$6 million worth of United States bonds, mainly federal, and \$4 million worth of United States stocks.

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FIRST BIG A-POWER PLANT

Ontario Hydro chairman James S. Duncan announced recently that a 2,300-acre site for Canada's first large-scale nuclear power station had been selected on the shore of Lake Huron, nine miles north of Kincardine.

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Mr. Duncan said the Bruce County site, lying almost midway between Kincardine and Port Elgin, was chosen following intensive field investigations in many parts of the province. Bounded on the south by Inverhuron Provincial Park, it is a rocky promontory of bush land jutting out into Lake Huron.

If approved by the Atomic Energy Control Board, the site will become the location of the 200,000 kilowatt CANDU (Canadian Deuterium Uranium) nuclear-electric generation station.

"This site is better suited to the needs of Ontario Hydro than any other we have investigated," Mr. Duncan said, "and we believe it will meet the requirements of the Atomic Energy Control Board."

The \$60 million project will be built by Atomic Energy of Canada Limited. Design work is fully under way but actual construction work on the CANDU project is not likely to begin before 1961. The station is scheduled for service in late 1964 or early 1965.

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OIL RIGHTS SALES SOAR

More than half a million acres were added this month to the eighty-six and a half million already under gas and oil exploration permits in the northern territories.

Four major oil companies, Northern Affairs Minister Alvin Hamilton announced recently, were successful tenderers in a gas and oil

permit sale held on October 8. The total bid bonus of \$1,239,513 received by the Government increases northern revenues from permit sales over the past two years to almost \$8,500,000.

Top bid - \$463,858 - came from Shell Oil Company of Canada Limited. Union Oil Company of California ranked next with \$410,820. Imperial Oil Limited bid on one parcel only. A bid of \$301,011 from this company was the highest price paid for a single parcel. Tenessee Gas Transmission Company ranked fourth with bids totalling \$63,822. More than three times as many bids were received as the number of parcels (11) available.

The 686,796-acre permit areas lie west of Hay River, N.W.T., midway between Fort Providence and South Nahanni, about 45 miles north of the Northwest Territories-British Columbia boundary. These areas are of particular interest through their proximity to the recent gas discoveries just south of the B.C. boundary.

"No parallel exists in the history of northern development," said Mr. Hamilton, "to the rush of applications for the right to search for oil and gas that we have experienced during the past two years."

Oil companies participating in this competition are required to spend a combined total of \$206,000 on exploration work on this particular acreage in the first 3-year permit term; \$824,000 during the second 3-year term; \$1,030,000 during the final three years for a total of \$2,060,000.

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