



CANADA

# CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

July 8, 1959

Vol. 14 No. 27

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## DOMINION DAY IN OTTAWA

Her Majesty the Queen was in residence in Ottawa for the celebration on July 1 of Canada's 92nd anniversary as a federation. At noon she made a television broadcast to the nation from Government House.

Early in the afternoon, at an impressive ceremony, Her Majesty unveiled the Commonwealth Air Forces Memorial at Green Island, where the Ottawa and Rideau Rivers meet. The Memorial, constructed by the Imperial War Graves Commission, is in honour of 798 Commonwealth fliers who lost their lives in the Second World War, in Canada, in the United States and neighbouring lands and seas, and who have no known graves.

The central feature of the Memorial is a sculptured bronze globe of the world, 10 feet in diameter, supported by three bronze beavers and surmounted by a bronze eagle with outspread wings - the emblem of the Commonwealth Air Forces. Two low, curved stone walls on either side of the globe contain tablets listing the names: 454 from the RCAF, 246 from the Royal Air Force, 32 from the Royal Australian Air Force, 19 from the Royal New Zealand Air Force and one from the former Royal Indian Air Force. Also recorded are the names of five civilians who served with the wartime Transport Command, 22 who served with the Ferry Command, and 19 who served with the civilian technical corps.

The Queen recalled in her speech that this was one of five such Air Force memorials, commemorating in all some 30,000 names, and

that she had already opened two of them at Runnymede and Malta. The others are at El Alamein and Singapore.

Commonwealth Air Force Detachments were present from Great Britain, Australia and Canada, as well as relatives of those who were commemorated, and Air Force personnel who had served with them. Airmen held aloft 11 flags representing Commonwealth or former Commonwealth countries.

As the RCAF band played "O Canada", five T-33 Silver Star jets flew in from the Ottawa River trailing white smoke. They pulled into a vertical climb immediately over the Memorial and broke into a fleur-de-lys.

After the religious service, the Queen placed the first of 17 wreaths at the Memorial.

### PRESENTATION OF COLOURS

Later in the afternoon, in a scene of pageantry and beauty, Her Majesty presented new Colours to the Canadian Grenadier Guards, the 48th Highlanders of Canada, and the Argyll and Sutherland Highlanders, of which regiments she is Colonel-in-Chief.

The Massed Bands and Corps of Drums of the three regiments marched through the main gates of the Parliament Buildings, followed by the men of the Canadian Guards, the Governor-General's Foot Guards and the Canadian Grenadier Guards, with Colour parties. The 48th Highlanders and the Argyll and Sutherland Highlanders were represented by colour parties

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only. Two lines of Guards formed in the foreground of the Hill. Special guests were in stands of seats on either side of the walk in front of the main building.

As the Queen approached, a Royal salute was fired and trumpeters sounded a fanfare. Her Majesty arrived with Prince Philip in the state landau from Rideau Hall, with an escort of Royal Canadian Mounted Police, lances at stirrup and pennants flying. She was welcomed by Defence Minister Pearkes and the Chiefs of Staff.

Her Majesty first inspected the Guards, after which the presentation of the Colours took place. They were consecrated by Brigadier Forth, the Chaplain General of the Army. The Queen made a short address to which Lt.-Colonel Whitson, Commanding Officer of the Grenadier Guards, replied. The ceremony concluded with a march past and another Royal salute.

Her Majesty then returned to Government House where she received Commonwealth High Commissioners and their wives, and Heads of Foreign Missions and their wives. The day concluded with a dinner-party at which the Queen entertained representatives of many different aspects of Canadian life.

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## THE ROYAL TOUR

On the morning of July 2 the Royal party arrived at Hamilton, Ontario, a large industrial city at the head of Lake Ontario, about 40 miles west of Toronto. The Queen and Prince Philip drove through the city and stopped at Battlefield House at nearby Stoney Creek. Here Mary Gage tended the wounded of both sides in the War of 1812. At Stoney Creek, too, the Women's Institutes, now a world-wide organization, were founded in 1897.

In the afternoon, the Queen made a tour by train of south-western Ontario, paying brief visits to Brantford, Galt, Guelph and Kitchener. These prosperous small cities, in pleasant rolling country, are centres of manufacturing. The train travelled slowly, making several stops where a number of people had gathered.

Meanwhile the Duke of Edinburgh was on a special visit to London, Ontario, where he presented new Colours to the Royal Canadian Regiment, of which he is the Colonel-in-Chief. The Queen and Prince Philip met that evening at Stratford, Ontario, and attended a Royal Command performance of "As You Like It" at the Shakespearean Festival Theatre.

On the following morning, July 3, the Royal train arrived at London, Ontario. The Queen and Prince Philip drove through the city and stopped at the J.W. Little Memorial Stadium where children were assembled. They then went on to Windsor with a brief stop at

Chatham en route. Windsor, on the Detroit River opposite the city of Detroit, is the home of the Ford Motor Company of Canada.

Early in the afternoon the Royal party embarked on the *Britannia* for Sarnia where the Royal yacht moored at the Imperial Oil Co. dock. This city, the terminus of pipe lines from Alberta and Texas, is the seat of the country's largest oil refineries. After a brief stay here, the *Britannia* set sail for Lake Huron and the Georgian Bay.

Saturday, July 4, was spent in the lovely Georgian Bay and Muskoka Lakes regions, favourite summer resorts for the people of Ontario. That evening the Royal yacht left for Chicago on Lake Michigan.

The entire day of July 6 was spent in Chicago, U.S.A., and on the following day the *Britannia* cruised through Lake Michigan to Sault-Ste-Marie on the St. Mary's River, which connects Lake Huron with Lake Superior.

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## U.K. - CANADA COMMITTEE MEETS

A meeting of the United Kingdom-Canada Continuing Committee on Trade and Economic Affairs was held in Ottawa on July 2 and 3. This Committee, which was established in 1948, meets from time to time to review the general economic situation and to consider matters of common concern to Canada and the United Kingdom in trade and other economic affairs. The Committee meets alternately in London and in Ottawa; the last meeting was held in London on June 20, 1958, under the chairmanship of the Canadian Deputy High Commissioner, Mr. Sydney Pierce.

The chairman of the recent meeting was His Excellency Sir Saville Gamer, High Commissioner for the United Kingdom in Canada. Visiting officials from the United Kingdom were:

Sir Frank Lee, Permanent Secretary, Board of Trade; Sir Robert Hall, Economic Adviser to the United Kingdom Government; Sir Denis Rickett, Third Secretary to the Treasury; Mr. H.A.F. Rumbold, Deputy Under-Secretary of State, Commonwealth Relations Office; Mr. A.W. France, Under-Secretary, United Kingdom Treasury; Mr. R.E. Stedman, Under-Secretary, Ministry of Agriculture, Fisheries & Food.

Among the Canadian officials taking part were:

Mr. N.A. Robertson, Under-Secretary of State for External Affairs; Mr. K.W. Taylor, Deputy Minister of Finance; Mr. J. English, Deputy Minister of Trade and Commerce; Mr. J.G. Taggart, Deputy Minister of Agriculture; Mr. L. Rasminsky, Deputy Governor, Bank of Canada; Mr. A.F.W. Plumptre, Assistant Deputy Minister, Department of Finance; Mr. J.H. Warren, Assistant Deputy Minister, Department of Trade and Commerce.

## CHANGING INFLUENCES IN AGRICULTURE

(Reprinted from Bank of Montreal Business Review, of May 26, 1959).

The Canadian agricultural scene is an ever-changing one, subject as it is to the vagaries of nature, the shifting of markets and the response of the farming community to governmental assistance. Throughout the postwar years, a surplus of wheat has persisted as a particularly intractable problem. This year, mounting stocks of certain livestock and dairy products have emerged as further complicating factors in the outlook. In addition, the Federal Government has lowered some of its support prices and in doing so has endeavoured to reshape its support policy so that the benefits will accrue mainly to the small farmer. In summarizing these and other current developments, this Review attempts to appraise their significance for the three main sectors of agriculture.

### GRAIN

That Western Canadian grain growers have felt under pressure for some time was evident in the representations they made to the Federal Government to stress the serious nature of price and income declines and to ask for assistance in the form of deficiency payments on grain marketed during the 1955-56 and 1956-57 crop years. In August 1958 the Prime Minister stated in the House of Commons that the Government had concluded, after careful consideration, that deficiency payments would not in the long run be in the interest of either the grain producers or the nation as a whole. In March of this year more than a thousand Western farmers and representatives of farm organizations went to Ottawa to renew their case for deficiency payments but, although the Government was sympathetic, it again expressed its reluctance to employ this method of bolstering the income of wheat growers and indicated that the benefits from such policies would not accrue to small farmers.

The current position of Canadian wheat is not discouraging. At August 1, 1958, the beginning of the current crop year, the carry-over was 612 million bushels, some 118 million less than a year earlier. Last fall's crop of 369 million bushels, only slightly less than a year earlier, brought total available supplies to 980 million bushels, a decline of 11 per cent from the preceding year. During the seven months through February 1959, exports of wheat and wheat flour were 5 per cent less than comparable 1957-58 shipments and for the crop year as a whole are expected to approach 300 million bushels. It is estimated that this fall's crop is being seeded on 22.7 million acres, 9 per cent more than last fall's, but its size will depend a great deal on weather conditions.

Longer-term concern regarding wheat relates to the world situation. In the face of shrinking commercial import demand, exportable world supplies are currently the highest on record. In early March this year supplies of wheat available for export and carryover in the four major exporting countries -- Canada, United States, Australia and Argentina -- amounted to 2,400 million bushels, some 450 million more than a year earlier. World exports of wheat and wheat flour are expected to approximate 1,200 million bushels, only 50 million more than last year. Moreover, Spain and Turkey, whose wheat has been virtually absent from world markets for several years, are now substantial exporters.

Some alteration in world wheat trading conditions is, however, foreshadowed in the new International Wheat Agreement, which will include the United Kingdom and will become operative on the expiry of the present pact on July 31, 1959. The maximum price will be reduced from \$2 per bushel to \$1.90, while the minimum will remain unchanged at \$1.50 per bushel. An important difference in the operation of the new agreement will be that importing nations, instead of designating specific quantities to be taken from individual exporting countries, will agree to import, from I.W.A. exporters as a whole, a prescribed percentage of the wheat they will use each year.

### LIVESTOCK

In livestock, the second main sector of Canadian agriculture, the development of vertical integration and the increase in the number of large-scale commercial enterprises have tended to work against the main objective of the Government's farm price policy -- that of stabilizing the income of small farmers. The process of vertical integration involves the letting of contracts to farmers by meat-packing firms and feed companies to produce certain types of livestock. In many cases capital is extended to the farmer for the construction of buildings and the purchase of equipment. In this way management decisions at all stages of production and distribution are centralized.

This type of operation has been most evident in poultry production and has been reflected in a rapid increase in broiler output. Vertical integration is also being extended to hog raising but a trend to larger-scale and more highly specialized hog production has been in progress for some time. In fact, the past few years have witnessed substantial investments in large, efficient piggeries and farrowing houses, designed to increase efficiency. Because such commercial enterprises are able to operate at low cost,

they derive more benefit from farm price supports than do small producers.

The Federal Government is aware of this aspect of its support policy, the Minister of Agriculture stating that "because of integration and technological developments the present programme is providing an incentive to commercial operators to increase production." There is thus a price support dilemma, which the Government hopes to resolve by altering its method of support.

For the next few months the Agricultural Prices Stabilization Board will continue to support hog prices at \$25 per cwt. basis Toronto. Commencing on October 1, 1959, however, the support price will be lowered to the legal minimum of \$23.65. From that time it is intended that the Board will make deficiency payments instead of the present system of purchasing at the support price. A similar system will be extended to eggs, as soon as a method is worked out. Under the deficiency payments system the product is sold commercially at the market price and if this is below the support price the difference is paid by the Government to the producers. As a result, the consumer tends to benefit from the lower price, and stocks do not accumulate in Government hands. In announcing the change in policy with regard to eggs, the Minister of Agriculture stated that this method "would make it possible to withhold payments from commercial organizations operating under the so-called vertical integration plan, or to restrict payments to a specific volume of eggs delivered by any one producer in a given period".

Livestock markets have witnessed mixed trends. Hog carcasses graded in the first three months of this year were 46 per cent more than a year earlier and the largest number since 1944 when hog production was actively encouraged to satisfy United Kingdom demand. Domestic consumption has increased over a year ago but not enough to absorb the rise in marketings and at the end of March storage stocks of pork exceeded 90 million pounds, two and a half times as much as at the same date in 1958.

From all indications hog production is likely to remain at a high level throughout 1959. Farrowings from December through May are expected to increase 23 per cent over a year earlier. Production in the United States is also expected to rise substantially and by late 1959, when spring pigs are marketed, prices there may fall to levels that would make competition difficult for Canadian exporters. Combined domestic and export demand may therefore be insufficient to raise hog prices in Canada significantly above current, and later reduced, support prices. However, a recent unofficial survey indicated that there may be a reduction in sow-breedings, the motivating factors being the reduced support prices, a less favourable hog-feed ratio, and

some uncertainty caused by the intimation that deficiency payments will apply only to a limited volume of production per farm.

By contrast, net marketings of cattle during the first three months of this year were equivalent to 443,000 head, a decline of 26 per cent from the same period last year, largely reflecting an abatement of the strong United States demand for Canadian beef and feeder cattle that persisted throughout 1958. In fact, total Canadian export of beef and cattle, equivalent to 66,000 head, was 62 per cent below a year ago.

#### DAIRY PRODUCTS

In the case of the various dairy products, respective support prices influence the pattern of milk utilization as was clearly demonstrated last year. With the support price for creamery butter at 64¢ per pound basis Montreal after April, output during 1958 as a whole reached a record 337 million pounds, 34 million more than in 1957. In the face of a continued decline in domestic consumption, storage stocks at January 1, 1959 reached 94 million pounds, 34 per cent greater than a year earlier.

Support prices for dry skimmed milk, at 12¢ and 15¢ per pound for No. 1 roller processed and No. 1 spray processed, respectively, basis Montreal, appear to have been sufficient to generate a rise in production during 1958 to a level of 186 million pounds, 66 million more than the previous year. It may be noted, however, that the support prices were not fully operative because the Stabilization Board last year placed a quota on the quantities it was prepared to purchase in an effort to stem the rapid acculation of surplus stocks. The output of cheddar cheese in 1958, at 87 million pounds, was 9 per cent less than the 1957 make, reflecting in part the diversion of milk into relatively higher priced dairy products.

In consequence, the support prices for the main dairy products have been altered in order to divert milk from skim milk powder production. That for butter will remain at 64¢ per pound basis Montreal, while those for cheddar cheese have been reduced by 2¢ to 32¢ and 31½¢ per pound in Ontario and Quebec, respectively, effective May 1, 1959 to April 30, 1960. But by paying a subsidy of 25¢ per cwt. of milk used in making cheddar, the Government will provide an effective minimum price of 34.8¢ per pound in Ontario and 34.3¢ in Quebec.

The support price for dry skim milk has also been reduced to 8¢ and 10¢ per pound for No. 1 roller processed and No. 1 spray processed, respectively, basis Montreal, effective only until September 30, 1959, at which time the support will be discontinued. Subsidy payments will, however, be made during this period which will ameliorate the reduction in price.

Thus, as the growing season begins, the farming community faces significant alterations in the "ground rules" set by government as well as the ever-present uncertainties of markets and climate. How it will fare cannot of course be predicted. But it is altogether likely that, by the time the harvests are in and livestock is quartered for the winter, some further interesting changes will have occurred in the agricultural scene.

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### ATOMIC ENERGY AGREEMENT

The Department of External Affairs has announced that the Ambassador of Japan in Canada and Mr. Howard Green, Secretary of State for External Affairs of Canada, signed an agreement between the two countries on July 2 for co-operation in the development of atomic energy programmes. This agreement is concerned with the peaceful uses of atomic energy and is intended to facilitate co-operation between Canada and Japan in the exchange of technical information, the provision of equipment and materials, and the supply of uranium.

The provisions of the agreement reflect the common desire of Canada and Japan to develop the peaceful applications of atomic energy, and to utilize its potentialities to the fullest possible extent.

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### CALGARY STAMPEDE

In the annual Calgary stampede, which opened on July 6, the spirit of the old West is recaptured for one week.

The stampede opened with a parade led by the "Riders of the Plains", a section of the Royal Canadian Mounted Police in their scarlet tunics, followed by tribes of Indians with chiefs, braves, squaws and papooses in ceremonial dress of buckskin, beads and feathers. Next were the pioneers, old timers and cattlemen on chuckwagons and floats, and cowboys on sleek horses with lariats flying.

In the Exhibition Grounds where the main exhibition and stampede are held, an Indian village, complete with tepees, is one of the chief attractions. Here Indian families of the Sarcee, Blackfoot and Stony tribes will live for the entire week.

"Fort Calgary" depicts the early days of the Royal Canadian Mounted Police, who as the Northwest Mounted Police played an important part in the opening up of the West.

Wild horse racing, steer decorating, calf roping, bucking horse riding and Brahma Bull riding are all part of the programme. Chuckwagon races, in which the wagons are each drawn by four thorough bred horses, are one of the most thrilling spectacles.

At the Exhibition proper, there are livestock exhibits and displays of farm implements, road-making machinery, merchandise and Indian handicrafts.

### CANADA-U. S. LEGISLATORS MEET

The Canada-United States Inter-Parliamentary Group, consisting of twenty-four congressional and twenty-four parliamentary representatives from the two countries, met from June 25-27 in Montreal and Ottawa. The two-day session in Montreal had been timed to coincide with the formal opening of the St. Lawrence Seaway, which all the delegates attended.

At a plenary meeting, the Group agreed that it was not its function to make recommendations as a body. Each national delegation will report as it thinks fit to its respective authorizing bodies.

Three committees were created to examine the main items of the agenda for the talks, as agreed in advance, under the following headings:

- (1) Joint defence arrangements and problems, and co-operation in defence production.
- (2) Economic and strategic significance of production and trade in minerals such as oil and gas, base metals, uranium and iron.
- (3) Boundary Waters.

#### DEFENCE RELATIONS

The Committee on Defence and Defence Production examined the basic factors in Canada-United States defence relationship. It noted with satisfaction some of the results of Canada-United States defence co-operation, as for example the establishment of radar-warning lines and North American Air Defence Command, and recognized the significant contribution these joint efforts were making to the defence of the peoples and resources of the continent. There was complete agreement that the best hope of avoiding a nuclear war rests in the collective determination of the free world to resist aggression and in the maintenance of strong deterrent forces. In this context, Canada-United States co-operation in air defence assumed special importance.

In the field of defence and defence production, it was recognized that there is a unique degree of inter-dependence, requiring the best use of the resources of the two countries with the minimum duplication of effort. Special attention was given to the question of what constituted a proper sharing of defence costs in the common effort.

The delegates noted that the missile threat to North America is increasing and that increased attention must be given to that threat. There could, however, be no question of dispensing with anti-bomber defences in the immediate future. The delegates were confident of the ability of United States and Canadian scientists and technicians to surpass Soviet achievements in the missile field.

It was recognized that adequate defence planning could be accomplished only by means of regular consultations, at all levels of government. Due weight must be given in such

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consultations to political and economic, as well as military factors.

As it is the responsibility of legislators to make decisions relating to defence expenditures, the Group stressed the need for Congress and Parliament to have the maximum access to defence information consistent with security considerations.

#### ECONOMIC RELATIONS

Discussions in the working committee on strategic minerals took into account some of the major factors underlying Canada-United States economic relations, including Canada's high degree of dependence on external trade and the economic implications of the concept of integrated North American defence.

In their consideration of the oil question, the Canadian Delegation expressed satisfaction at the recent exemption of Canadian oil from the United States mandatory import controls, and the hope that as a result Canadian crude oil would have access to the United States market on a freely competitive basis. With respect to natural gas, it was recognized that the major problem centred around the delays in processing applications for licences. The view was put forward that through co-operation between the Federal Power Commission of the United States and the National Energy Board shortly to be established in Canada, this problem might be overcome.

The Committee's discussions ranged over a wide variety of base metals. There was recognition that the problems in many minerals were similar in nature on both sides of the border, and had their origin in a temporary situation of world-wide over-production. The problems with respect to the marketing of uranium, lead and zinc, are particularly acute. It was thought that in order to control and limit the harmful consequences of the current over-abundance of certain minerals, the problem of marketing these commodities should be considered on a continental basis and from a long-term point of view.

#### BOUNDARY WATERS

The Working Group on Boundary Waters examined a number of matters in an atmosphere of cordiality and frankness. It was noted that, in the case of Chicago diversion and the regulation of pilotage on the Great Lakes, inter-governmental consultations had either been proposed or were in progress and the hope was expressed that these consultations would lead to constructive proposals that would prove mutually satisfactory. The Group noted that industrial development and seaway traffic in the Great Lakes region will likely give rise to complex problems in such fields as pollution, recreation, conservation, power utilization, industrial location, port facilities and navigation. These problems will be of

mutual concern to the United States and to Canada; to states as well as to provinces. Further study of these problems was indicated. In so far as the Columbia River was concerned, the Committee reported its satisfaction at recent progress made by the International Joint Commission and hoped that, before long, the Commission would be making its recommendations to governments so that the governments concerned would be enabled to conclude arrangements permitting the development in the Basin to get under way at an early date. Such matters as those relating to the Minnesota wilderness area and the Passamaquoddy Development were introduced as possibly meriting further consideration at a future meeting.

The Group as a whole, in the course of general discussions, examined the origin of some current misunderstandings and noted that some at least of these might be attributable to the different forms of government. It was considered that much could be accomplished by encouraging legislators of the two countries to consult with and seek the advice of members who have had the opportunity of the mutual exchanges of views which the meetings of the Canada-United States Inter-Parliamentary Group provide.

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#### BANFF SCHOOL OF FINE ARTS

Alberta's imaginative enterprise, the Banff School of Fine Arts, opened for its 27th annual summer session on June 27. Set in idyllic surroundings in the heart of the Rocky Mountains, the school is attended by some 600 students from all parts of Canada, the United States and other countries.

Established by the University of Alberta in 1933 as a school in the arts related to the theatre, the School has grown steadily until today it offers courses in theatre, ballet, music, painting, short story, play, television and radio writing, and handicrafts. Recreation courses are also given in geology, oral French, basic Russian and photography. Courses may be taken for university credits, Banff School Certificates or simply for recreation and pleasure. All groups have the opportunity of studying under a staff recruited from Canada, the United States, Europe and Latin America.

The administration building contains classrooms, dining-room, auditorium, library and living quarters. There are in addition a number of attractive chalets, including Foyer Français, where only French is spoken.

When the School is not in session, its buildings and facilities are now utilized by a wide variety of organizations. During the last year, for example, some 7,000 people attended meetings, courses and seminars at Banff. The School is recognized as a leading centre for continuing or adult education in Canada.