



CANADA

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CONTENTS

Canada-U.S. Interparliamentary Group.....	1	Motor Accidents	4
Royal Christening Set	3	Italy's Air Chief Visits	5
Employment Committee Meets	3	Telecommunications in Wartime	5
New Army Radio	3	Atlantic Fisheries	5
New Homes Built	3	Stokowski to Stratford	6
Price Indexes	4	Livestock Support	6
Rehabilitation Body Meets	4		

CANADA-U.S. INTERPARLIAMENTARY GROUP

On April 22, the Canada-United States Interparliamentary Group, composed of 24 members of the Parliament of Canada and 24 members of the Congress of the United States, concluded two days of discussion on matters of common interest in the two countries.

The Group continued its procedures of having informal, off-the-record discussions and refrained from making recommendations, leaving it to each national delegation to make such reports and recommendations to its respective authorizing institutions as it saw fit.

The Group met in plenary sessions on the morning of April 21 and the afternoon of April 22, and held two sets of committee meetings on the afternoon of April 21 and the morning of April 22. Committees discussed the following subject areas: 1) Defence co-operation and disarmament; 2) boundary problems; 3) economic problems of common concern.

DEFENCE POLICY

The Committee on Defence discussed certain aspects of defence policy and the use of North American productive facilities for defence purposes, which had implications of mutual importance to the United States and Canada. The Committee also discussed the prospects for disarmament and the need for planning that would facilitate an orderly transition from military production to production for peaceful purposes, including public works.

There was general agreement that, while seeking with all vigor for an understanding with the Communist bloc based on mutual trust and confidence, the West should maintain adequate defences until the Soviet camp should accept an inspection and control system of sufficient scope and efficiency to justify the commencement of active measures of disarmament.

The Committee considered the changing character of the threat to North America and the effect of this on the operations of the North American Air Defence Command (NORAD). It was recognized that, in addition to the military problems which would have to be faced during the next few years, the adoption of new weapons systems and conceptions of defence would cause local economic re-adjustments, which in some areas might be severe.

The Committee noted that, during the past year, there had been considerable progress in the programme of defence production sharing between the United States and Canada. This was reflected in the fact that Canadian industry in 1959 received United States defence contracts valued at \$96.3 million; it was noted, however, that Canadian defence equipment purchases in the United States in the same period had amounted to \$116.6 million. The Canadian members of the Committee expressed the view that the progress achieved to date was in no small measure due to the consideration given to the problems by the Interparliamentary Group at its meeting in June 1959.

There was general agreement that a continuing effort was needed in both countries to achieve and maintain an adequate balance in defence purchasing between Canada and the United States.

BOUNDARY DISCUSSION

After deciding which subjects should be discussed, the Boundary Problems Committee came to the following conclusions, which it approved for transmittal to the plenary session.

1. *Passamaquoddy tidal-power project* - It was important to determine whether the Passamaquoddy project was economically feasible. Meanwhile, judgment should be reserved awaiting further studies by the International Joint Commission. The Committee felt that this topic should be retained on its agenda.

2. *Hudson-Champlain-Richelieu waterway* - Since the St. Lawrence Seaway was in operation, the two governments should consider referring to the International Joint Commission the question of the economic feasibility of further development of this waterway, taking into account the possible increase in trade between Canada and the United States that might result.

3. *Columbia River basin development* - The Canadians welcomed statements by United States delegates that no particular project of interest to the United States delegates should be allowed to stand in the way of a treaty on this subject based on the principle of optimum development of the Columbia River basin with mutual sharing of the benefits. Once this principle had been adopted by the two governments, particular projects would fall into their appropriate order.

4. *Chicago Diversion* - This subject was again thoroughly and vigorously discussed and no change of the positions of the respective delegates emerged. The Canadian delegation expressed understanding of the waste-disposal problem facing Chicago.

5. *Pollution in the Great Lakes* - Both delegations expressed concern about increasing pollution both from lake cities and shipping. It was agreed that it would be useful for the two governments to study remedial measures.

6. *Yukon-Alaska problems* - Canadian delegates expressed concern that a proposed high dam at Rampart, Alaska, might prejudice maximum development for the benefit of both countries of the Yukon River power potential. Canadian delegates raised the question of some form of free-port facilities for Canada in the Alaska Panhandle and corridors across it. United States delegates suggested that additional information about these matters be furnished to them before the next meeting of the Group and that they be placed on the agenda for the next meeting.

The Economic Problems Committee approved the following summary for transmittal to the plenary session:

1. *Common trade problems, especially with Western Europe* - The Committee agreed that economic progress abroad and the changing pattern of trading relations in Europe were creating new opportunities and serious problems for Canada and the United States. It was recognized that the interests of the two countries diverged to some extent in the face of these developments, partly because of political considerations and partly because of the greater dependence of Canada on international trade and the narrower range of its exports.

The merits and demerits of solutions based on different methods of computing tariffs and of tax relief were briefly explored. No firm agreement was reached concerning the respective cases for the "Inner Six" and "Outer Seven," but agreement did occur on the need for the United States and Canada to co-operate closely and to work toward new arrangements with their European allies on a North Atlantic basis.

2. *Bilateral Problems* -

(a) The Canadian oil problem: Attention was drawn to the difficulties being experienced in the Canadian oil industry (particularly in Alberta) due to lack of markets for increasing oil supplies. Canadian delegates described various possible solutions, notably that of increasing domestic consumption, recognizing that some of these had foreign policy implications. Reference was also made to recently-issued Canadian regulations governing oil and gas exploration in the Yukon and Northwest Territories.

(b) Metals and minerals: -The Committee recognized the intimate and important relationship between United States and Canadian production and markets for such commodities as lead and zinc, aluminum, copper, nickel, and uranium.

A United States delegate described the depressed lead and zinc condition in his country and foresaw no significant change in conditions over the near future either in production or importation.

The delegates then considered the uranium and aluminum situations. In view of recent developments, the discussion on uranium was mainly in terms of the prospects that might emerge in a few years time, which did not appear very auspicious for producers. On the other hand, the outlook for aluminum was regarded as more promising.

A United States delegate drew general attention to the increasing significance of Latin-American markets for both Canada and the United States, and to the implications of prospective competition from expanding Latin American production of commodities such as oil, gas, and iron ore.

(c) Wheat: There was considerable detailed discussion of the surplus-wheat problem confronting both the United States and Canada. No new approach was advanced for the problem, and there was general agreement that

ROYAL CHRISTENING SET

Prime Minister Diefenbaker announced recently that he had personally presented, on behalf of the Canadian people, a sterling silver baby-set to Her Majesty Queen Elizabeth II as a christening gift for the infant Prince Andrew.

The set was designed and produced by Canadians and made of Canadian silver. The maple leaf is the main motif. The beaver is reproduced on the handles of the porringer and the mug. The maple-leaf motif is chased round the edge of the serving plate, the porringer and the mug. The Dominion coat-of-arms and the provincial crests have been engraved underneath the maple-leaf motif on the porringer and the mug.

The young Prince was christened Andrew Albert Christian Edward on April 8. The Canadian gift was left with the Queen for her son by the Prime Minister on May 4.

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EMPLOYMENT COMMITTEE MEETS

Expansion of the scope of the Municipal Winter Works Incentive Programme to include projects not at present authorized by the federal-provincial-municipal agreement was recommended by the National Employment Committee at the second session of its 74th meeting in Ottawa, on May 13.

In the resolution adopted by the Committee for reference to the Unemployment Insurance Commission, it was also recommended that the Federal Government announce plans for municipal incentive programmes earlier in the year than had previously been the case, in order that municipalities might have more time in which to plan projects to be undertaken during the winter months.

At the same time the Committee commended the Government on the success of its policy of earlier announcement in 1959 than was the case in 1958, as evidenced by the increased amount of employment afforded by the plan during the 1959-1960 season to date.

The Committee passed a resolution recommending that the Unemployment Insurance Commission broaden the field covered by the programme of seminars being conducted by the Commission to familiarize employers more thoroughly with the regulations governing employment and unemployment insurance, and to obtain from employers their suggestions on ways in which the National Employment Service might more adequately meet their manpower requirements.

At present seminars are being held in co-operation with the Canadian Pulp and Paper Association throughout their industry from Newfoundland to the Lakehead, with plans in view to extend the programme to the construction industry. The Committee urged that seminars be organized to cover still other industries in Canada.

NEW ARMY RADIO

The new British-designed very high frequency FM radio recently adopted by the Canadian Army is expected to become available for regular forces in Canada in June.

Replacing the old Second World War signals "19-set", the new radio will fill a much-needed communications requirement in the Army's national survival plans, as well as performing its normal operational role. It is known officially as the "C-42 (VHF Transceiver)".

A limited number of the new sets already are available in Canada for preliminary instructional purposes. They also are being displayed in some localities as part of modern survival equipment.

Described as a "15-mile vehicle set," the C-42 will be used in conjunction with two smaller radios now standard equipment in the Army. They are the one-mile and five-mile pack sets, both Canadian designed. All these can be used separately or together. Range of the British designed and produced 15-mile vehicle set can be increased to 25 miles by use of elevated antennae.

The new set is of robust construction and sealed against dust and moisture. It was built specifically for military use. Battery-powered, it can be operated either from vehicle batteries or a separate radio storage battery. Repair and maintenance under field conditions are relatively easy.

Army communication experts describe the set as ideally suited to use in national survival operations.

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NEW HOMES BUILT

Beginnings on the construction of new residential units decreased in the first quarter of this year from the same period last year, while completions increased, according to advance figures issued by the Dominion Bureau of Statistics. Fewer units were under construction at the end of March this year than last.

All-Canada starts in the January-March period decreased to 11,118 units from 16,365 in the corresponding period of 1959, while completions increased to 28,783 units from 24,697. Units in various stages of construction at the end of March numbered 63,797 compared to last year's corresponding total of 78,915.

Starts in centres of 5,000 population and over in this year's first quarter fell to 8,848 units from 14,350 a year earlier, while completions rose to 21,759 units from 20,349. March starts in these centres were down to 2,996 units from 5,496 in the same 1959 month and completions to 6,242 units from 7,456. Fewer units were under construction in these areas at the end of March, at 46,640 units against 56,250.

PRICE INDEXES

Consumer price indexes increased in nine of the ten regional cities between March and April 1960, with the Vancouver index decreasing 0.4 per cent. Increases in the other nine cities ranged from a fractional 0.1 per cent in Edmonton-Calgary to 1.0 per cent in St. John's.

Higher food indexes were mainly responsible for movements in the total indexes, as foods increased in all regional cities except Edmonton-Calgary and Vancouver. In the latter two cities, food indexes declined 0.1 per cent and 0.5 per cent respectively, while increases in the other eight regional cities ranged from 0.6 per cent in Saskatoon-Regina to 1.8 per cent in Montreal. Group indexes for other commodities and services were up in all regional cities except Halifax and Saint John, with the increase of 0.4 per cent in St. John's the largest upward movement.

Shelter indexes were unchanged in five of the ten regional cities, down in Toronto and Vancouver, and up in the remaining three.

Clothing indexes showed mixed results, with five city indexes higher, three lower and two unchanged from March levels. Household-operation indexes decreased in five cities, increased in four cities and remained unchanged in the remaining regional city.

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REHABILITATION BODY MEETS

"Rehabilitation and employment must go hand in hand and we must impress on every citizen of Canada that it is the ability of a handicapped person that counts, not his disability," said Brigadier James L. Melville, at the May 16 opening of a two-day meeting of the National Advisory Committee on the Rehabilitation of Disabled Persons. Brigadier Melville was recently appointed Chairman of the Committee.

A.H. Brown, Deputy Minister of Labour, who opened the meeting and welcomed the new Chairman, asked the Committee to examine seriously the operation and scope of the rehabilitation programme. "We have a good vehicle for rehabilitation in this country, but we need to generate more horsepower in this vehicle so that we can move ahead at a faster rate," he said.

Ian Campbell, Canada's National Co-ordinator of Civilian Rehabilitation, reported on progress and developments in the rehabilitation programme. He said that the past year had provided evidence that the experimental period through which Canada had passed had resulted in the establishment, in all parts of the country, of better means of reaching the disabled with the constructive forces of rehabilitation.

Since the programme began, Canada had seen the establishment of rehabilitation offices in each of the provinces, a great growth in

facilities for medical rehabilitation in our hospitals and a significant increase in the number of professional personnel engaged in the medical side of this programme.

REHABILITATION CENTRES

No fewer than fifteen new rehabilitation centres had come into being and at least eleven new centres for sheltered employment had been established. The number of disabled persons receiving formal or on-the-job training had increased considerably. The placement efforts of the National Employment Service had been extended and efforts to co-ordinate the work being done by both voluntary and governmental agencies had been strengthened. The Committee knew of the expanding efforts of the voluntary agencies and must have become increasingly convinced of the wisdom of attempting to build in Canada a programme that would have as its foundation the active co-operation of these two major groups.

In the past year, the number of rehabilitated cases on which full particulars were available had increased considerably, but this figure was still not an adequate indication of the extent to which rehabilitation services were benefitting the disabled. However, a sample of statistics indicated the great economic value of a sound rehabilitation programme. These statistics covered 4,689 disabled persons with 3,410 dependents.

At the time of their being referred to rehabilitation, 80 per cent of these people were without earnings and 50 per cent were receiving public assistance; the annual cost for their support would have been approximately \$3,500,000. After rehabilitation, their earnings were about \$8,500,000 annually. It was obvious, then, Mr. Campbell went on, that the worth of this programme had been established from the financial point of view. Much more important, the combined efforts of all agencies had been able to restore these people to a feeling of worth and accomplishment and a sense of pride in being able to make their rightful contribution to the nation.

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MOTOR ACCIDENTS

Motor accidents on Canada's streets and highways took 158 lives in March this year, compared to 177 in the corresponding 1959 month, according to a special statement by the Dominion Bureau of Statistics. This brought the January-March death toll to 456, smaller by 1.9 per cent than the like year-earlier total of 465.

Fewer deaths in motor vehicle traffic accidents were reported in March in Quebec, Ontario, Manitoba, Alberta, and British Columbia. No deaths were recorded in either year in Prince Edward Island and the Yukon and Northwest Territories. March deaths by province were: Newfoundland, 3 (1 a year earlier); Nova

Scotia, 17 (4); New Brunswick, 13 (7); Quebec, 35 (54); Ontario, 55 (67); Manitoba, 4 (9); Saskatchewan, 8 (4); Alberta, 11 (15); and British Columbia, 12 (16).

January-March traffic fatalities were fewer than a year ago in Prince Edward Island, Quebec, Ontario, Manitoba and the Yukon and Northwest Territories. First-quarter totals were: Newfoundland, 8 (7 a year ago); Prince Edward Island, nil (1); Nova Scotia, 29 (18); New Brunswick, 32 (22); Quebec, 81 (117); Ontario, 181 (204); Manitoba, 12 (22); Saskatchewan, 21 (7); Alberta, 39 (30); British Columbia, 53 (36); and the Yukon and Northwest Territories, nil (1).

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ITALY'S AIR CHIEF VISITS

The Chief of the Italian Air Force, General Silvio Napoli, arrived at Montreal's Dorval airport on May 16 to begin a week-long visit to Canada.

General Napoli proceeded to Ottawa almost immediately for talks with the Mr. George R. Parkes, Minister of National Defence, General C. Foulkes, Chairman, Chiefs of Staff, and Air Marshal Hugh Campbell, Chief of the Air Staff.

The following day he attended an Air Council meeting at National Defence Headquarters.

General Napoli flew to the RCAF Station St. Hubert, Quebec, on May 18, where he met the Air Officer Commanding, Air Defence Command, Air Vice Marshal W.R. MacBrien. He also attended an Air Defence Command briefing.

While in the Montreal area General Napoli toured the aircraft plant of Canadair Ltd., before proceeding to Hamilton and Niagara Falls for a two-day visit. On May 21 he toured RCAF Stations Bagotville and Mont Apica, Quebec.

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TELECOMMUNICATIONS IN WARTIME

Transport Minister George Hees made the following announcement in the House of Commons on May 18:

"The Government has had under consideration for some time the problem of arranging for effectual governmental control of the national telecommunications systems under nuclear war conditions. The conclusion has now been reached that, if the Government as a whole, its various agencies, and private users with essential wartime functions are to make the best use of the telecommunications services available after a nuclear attack, it is necessary to develop an emergency organization that would exist in nucleus form in peacetime as a planning agency, and in emergency would function as the executive agency of government in controlling and administering the national communications systems, including radio and television broadcasting.

"The Organization is to be known as the Emergency National Telecommunications Organization (ENTO). It will be developed within the Department of Transport and be under the control of the Minister of Transport, in whom, by virtue of the Radio Act, the Telegraph Act, the Railway Act and the Canada Shipping Act, extensive authority over telecommunications in Canada is already vested.

"In the discharge of its responsibilities, ENTO will be advised by a committee of senior representatives of other government departments having a major interest in telecommunications. Advice from commercial telecommunication agencies will also be sought."

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ATLANTIC FISHERIES

Gratifying progress in overcoming problems which have beset the oyster industry in the Maritime Provinces, in particular the epidemic disease which by the end of 1958 had ravaged almost all the main oyster areas in New Brunswick and Nova Scotia, was reported at the final session of the Federal-Provincial Atlantic Fisheries Commission. G.R. Clark, Deputy Minister of the Federal Department of Fisheries, was chairman of the two-day meeting which was held in Ottawa recently.

Reporting for the oyster section of the Commission, Dr. A.L. Pritchard, Director of the Conservation and Development Service of the federal Department, said that in 1959 tests lots of oysters indicated no further spread of the mortality.

He told the meeting that the Department's 1959 transplant of disease-resistant oysters from Prince Edward Island had proceeded as planned. Thirty-two hundred barrels of the resistant oysters had been transplanted into New Brunswick and Nova Scotia, and it is expected that the full programme of transplanting 10,000 barrels will be completed this year. In all areas examined, the transplanted oysters had suffered only normal mortality or less and continuing good growth had been demonstrated.

OYSTERS FROM SEED

The Department is intensifying its efforts to develop a method of raising seed oysters to stabilize the industry. In this project, 40,000 cement-coated egg-case fillers had been suspended in various Maritime areas. Growth had been excellent, with a harvest of 600 barrels of oyster spat. In its seed-farming work, the Department had used, with success, a mechanical digger using an escalator principle, which had been tested for clams and modified for oyster work.

A review was also given of the battle against the spruce-budworm epidemic that had seriously threatened the forests of New Brunswick and had an accompanying effect on the fisheries of the province. DDT spraying was

used to check the budworm and although it proved effective it was also found to be injurious to fish. Scientists immediately began experiments to discover a spray that would kill the budworm but would have no harmful effects on fish. And although no better substitute for DDT has yet been found it was reported to the meeting there were hopeful signs that a major break-through was in sight. The Committee was informed that the province's Miramichi River area would be treated with a lower concentration of the insecticide this year, and the results of this area would be closely observed. Also mentioned was a newly-devised bacterial spray now in the experimental stage.

STOKOWSKI TO STRATFORD

Four prominent conductors have been engaged for concerts to be held during the Stratford Festival's music season this summer, Louis Applebaum, director of music, announced recently.

Leopold Stokowski will conduct the CBC Symphony in a concert in the Festival theatre on August 14.

Victor Feldbrill, of the Winnipeg Symphony, will conduct the National Festival Orchestra in the Avon theatre on August 8.

Walter Susskind, of the Toronto Symphony, will conduct the National Festival Orchestra in a special programme for the family in the Festival theatre on July 31.

Roy Harris, the U.S. composer-conductor, will be on the podium for a programme by the Orchestra of the International String Congress in the Avon theatre on August 13.

Messrs Feldbrill, Harris and Stokowski will also conduct the three orchestral concerts that will highlight the week of the International Conference of Composers.

CANADA-U.S. INTERPARLIAMENTARY GROUP

(Continued from P. 2)

current arrangements, unsatisfactory though they might be, were still the best available in the existing situation. Both delegations were anxious to ensure continuing close bilateral consultations in order to avoid damage to established foreign commercial markets; Canadian delegates expressed their gratification at the way in which this consultation had developed.

At the first plenary session, United States Secretary of State Herter welcomed the Canadian delegates and wished the meetings success. In the plenary sessions recommendations by delegates from both countries laid stress on the necessity for the people of each country to learn more about the other. The suggestion was made that the educational systems in the United States and Canada might well take account of this need.

The Canadian delegation extended an invitation to the United States delegation to visit Canada sometime during the month of August 1960, and to visit industrial and mining areas.

On April 23 and 24, the Group flew to the United States Strategic Air Command headquarters at Omaha, Nebraska, and to the Joint Canada-United States Air Defence Command at Colorado Springs, Colorado, to receive briefings and make inspections at these installations. It returned to Ottawa and Washington on the evening of April 24.

LIVESTOCK SUPPORT

Stabilization prices for cattle and lambs, effective from April 1, 1960, to March 31, 1961, were announced recently by L.W. Pearsall, Chairman of the Agricultural Stabilization Board.

Supports for these commodities are established at the mandatory level -- 80 per cent of the average price for the past ten years for Good quality steers, live, and for Good lambs, live, Toronto market.

Supports for cattle on this basis are set at \$18.20 a cwt. which is 80 per cent of the ten-year average of \$22.75 a cwt. This represents an increase of 40 cents a cwt. over last year's support price.

Lamb supports have been established at \$19.33 a cwt. which is 80 per cent of the ten-year average of \$24.17 a cwt. This support is 20 cents a cwt. below the support of last year.

These grades of cattle and lambs are now selling at approximately \$22.50 and \$24.50 a cwt. respectively.

No support action has been necessary during the past year for cattle producers, as market prices were continually above the prescribed price.

During the fall marketing period of 1959 it was found necessary to support lambs, and approximately \$360,000 was spent by the Board for this purpose.