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NEW APPROACH TO DISARMAMENT

On the eve of the opening of the current 10-nation disarmament meetings in Geneva, the Secretary of State for External Affairs, Mr. Green, spoke to the House of Commons as follows regarding the disarmament plan that would represent "the negotiating position of the West":

"...Honourable members will understand that what has been formulated and announced is an initial negotiating position. This means that it may undergo modification as the negotiations develop, for there could be no negotiating if one side or the other were to stand on a fixed and inflexible position. Canada will urge that the Western negotiators continue to seek improvements in an effort to reach agreement with the Soviet side.

"While both the Western powers and the Soviet Union have put forward blueprints for a three-stage programme, the proposals of the West do not constitute a package. They call for study leading to agreement on specific measures of disarmament. However, as soon as required studies on many items are completed, the appropriate agreements can be concluded and implemented, whether or not other items in the same stage are ready for agreement. Therefore, in areas where it proves possible to move forward to agreement, progress will be rapid and there can quickly be partial measures of disarmament within the scope of the general plan.

"I have said that there is agreement among the Western powers on the broad lines of the

programme presented. There have been, and remain, differences of approach and emphasis, just as there are differences of interest and judgment. For example, under instructions, General Burns has pressed to have urgent attention given to measures of nuclear disarmament and he has had some success in this respect, though not as much as I should have liked. In this approach we shared to a degree the views of the French Government, whose proposals dealing with the control of the means of delivering nuclear warheads seemed to meet one of the major causes of anxiety in the world today.

"Similarly, in our view, the items concerning the cut-off in the production of fissionable material for weapons purposes and the conversion of existing stocks to peaceful uses deserve higher priority and should be closely linked with the reduction of armed forces and armaments to the levels proposed.

"While these views have found some expression in the Western plan, we continue to believe that there is room for improvement. In line with this attitude, we welcome the inclusion, early in the Western programme, of studies and measures designed to prohibit, under effective control, the placing in outer space of weapons of mass destruction.

"As it stands, the Western position is realistic, negotiable, and offers no threat to the security of any state. It looks forward to an ultimate goal of general disarmament, applicable to all countries with a significant

military capability, and effectively controlled through an international disarmament organization. It envisages too the establishment in stages of international machinery for keeping the peace and for enforcing a rule of law. Appropriate links with the United Nations are contemplated and, in the view of the Canadian Government, this is of great importance.

DISARMAMENT AND POLITICS

"It would be neither profitable nor desirable to enter upon the ten-power negotiations, which will be exclusively concerned with disarmament, in the belief that no significant progress can be made until political issues have been resolved. On the contrary, we believe that agreement on disarmament measures can and will help to improve the chances for political agreements. Accordingly, it is our intention to pursue vigorously the objectives of disarmament as such, and to work assiduously for the early implementation of agreements in as broad an area as may be possible.

"I believe that it is incumbent on all concerned to view the forthcoming negotiations with hope and optimism. For years the people of the world have been yearning for peace with security and for freedom from anxiety about war. During the past decade and a half, we have seen an unprecedented preparation for defence, in a period of great scientific advance, but there has been no increase in security and no decrease in anxiety. If anything, international insecurity has grown and with it an appalling risk of war through mistake or miscalculation. Moreover, nations everywhere have had to bear the crushing burdens of defence with no prospect of relief in sight and with a depressing effect on many economies.

"The time has come to concentrate on steps to be taken towards meaningful disarmament. The political atmosphere of today is as favourable to such action as at any time since the Second World War. Canada is participating in the disarmament negotiations believing there is hope for success. We are encouraged by the degree of harmony within the Western team and by their serious approach to the subject. They have a determination to achieve results and we hope that this will find response from the Soviet side. We will do all we can to assist in this most important endeavour."

SEAWAY OPENING DATES

The Department of Transport has issued a Notice to Mariners setting forth the St. Lawrence Seaway Authority's announcement of spring opening dates on the Seaway canals.

Unless, in the opinion of the Authority, weather and ice conditions do not allow, navigation on the canals will open on the following dates: Welland Canal and Third Wel-

land Canal, April 1; Sault Ste. Marie Canal, April 4; South Shore, Beauharnois and Iroquois Canals, April 15; Lachine and Cornwall Canals, April 15.

The Department has been advised that the Saint Lawrence Seaway Development Corporation (U.S.A.) proposes to open the Wiley-Dondero Canal and ancillary locks on April 15.

INTERNATIONAL SECURITIES 1959:

Transactions in stocks and bonds between Canada and other countries in 1959 gave rise to a net capital inflow of \$627 million, up \$17 million over 1958 but considerably below the amounts of \$727 million and \$763 million recorded for 1956 and 1957. The total volume of transactions leading to the capital inflow in 1959 was \$2,957 million.

Portfolio security transactions were the largest medium of capital inflow for the settlement of Canada's deficit from current transactions in goods and services, and the inflows added further to the growing total of Canada's external indebtedness. The foreign savings made available to Canada through sale of Canadian stocks and bonds in 1959 were equivalent to about 40 per cent of the net new supply of such securities.

Canada received \$662 million in 1959 from the sale to non-residents of new issues of Canadian securities, \$15 million less than in 1958. Gross new corporate issues of stocks and bonds worth \$132 million in 1959 dropped to less than half the total of \$285 million in 1958, when there was a significant volume of deliveries of pipe-line bonds sold earlier. On the other hand, sales to non-residents of new issues of governments rose to a new high level of \$530 million in 1959, an increase of a third over the previous year's total of \$392 million. Retirements of foreign-held Canadian securities (including significant amounts of Government of Canada issues) totalled \$222 million in 1959 as compared with \$158 million in 1958.

CAPITAL INFLOW

The net inflow from trading in outstanding Canadian securities in 1959 amounted to \$208 million, against \$88 million in the preceding year - the largest capital inflow from this source since 1950. The net movement covered \$96 million in Canadian bonds and debentures and \$112 million in Canadian common and preference stocks. There were net sales of \$119 million in Government of Canada direct and guaranteed issues, which were offset to the extent of \$23 million by net repurchases of issues of other Canadian debtors. All transactions in foreign securities led to a net capital outflow of \$21 million.

About 75 per cent of the overall movement of portfolio security capital originated in 1959 in the United States, against 87 per cent in 1958, 6 per cent in the United Kingdom

(unchanged from 1958), and 19 per cent in other overseas countries (compared to 7 per cent in 1958). The net capital inflow from security transactions with the United States totalled \$473 million in 1959, compared with \$530 million in 1958 and \$561 million in 1957. The movement in 1959 was made up of net sales of \$494 million of Canadian securities (including \$23 million of outstanding bonds and debentures, \$77 million of outstanding common and preference stocks and \$578 million of new issues, offset by retirements of \$184 million of United States owned Canadian securities) less \$21 million net purchases of foreign securities. The sales balance, first since 1950, on account of trade in outstanding Canadian bonds and debentures arose from a marked interest by United States investors in Government of Canada direct and guaranteed issues.

The net inflow from the United Kingdom amounted to \$37 million in 1959, comparing broadly in total and composition with the 1958 figure, but falling considerably below 1956 and 1957, when net movements exceeded \$120 million in both years. Security transactions with other overseas countries produced \$117 million in 1959, up from \$45 million in 1958, and included more than \$68 million net sales of outstanding Government of Canada direct and guaranteed issues.

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INDUS WATERS SETTLEMENT

On February 29, Mr. Green, the Secretary of State for External Affairs, made the following statement to the House of Commons:

"The House will recall that, on July 9 of last year, I announced with respect to the Indus Waters question that the Canadian Government had agreed in principle to participate in the programme that had been drawn up by the International Bank on the understanding that the funds required for this purpose would be provided as part of our increased Colombo Plan contribution. I said on that occasion that I was confident that the House would endorse the Government's view that it was in Canada's interest to help in the solution of a problem which has stood in the way of better relations between two of our Commonwealth partners in Asia.

"It is a matter of great satisfaction to me to be able to inform the House that good progress has been made in working toward a solution of the Indus Waters question acceptable to the two states concerned, India and Pakistan. These discussions have now reached the point where the Bank and those countries, including Canada, which joined together to help in reaching a mutually acceptable solution have agreed that an announcement on the Indus settlement should be made today by the International Bank in Washington. The Bank's announcement will give full details of the proposed settlement. Meanwhile I should like to mention the major points briefly.

"The Canadian Government, subject to the ratification of a water treaty between India and Pakistan now under negotiation, has agreed to contribute \$22.1 million (Canadian) over the next ten years to the programme for the development of the Indus Waters. Parliament will be requested to approve this grant at the appropriate time.

"In addition to the large loan which the Bank has agreed to make, Australia, New Zealand, the United Kingdom, the United States and Germany have all agreed to contribute funds; the United States has offered to provide additional sums through loans, and India and Pakistan will each make substantial contributions.

"The proposed development programme provides for the construction of very large works which will divide the waters of the Indus in accordance with the treaty which India and Pakistan are currently negotiating. It is estimated that it will take 10 years to complete this project, which will provide water for irrigation and land reclamation, and important potential hydro-electric power resources, as well as flood control works...."

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ARCTIC SUPPLY FROM HALIFAX

A Department of Transport vessel will load general cargo at Halifax this summer for the annual Arctic re-supply, it was announced recently by Transport Minister George Hees.

Cargo loading for supplying Eastern Arctic ports-of-call is usually carried out at Montreal and Quebec, using both government and government-chartered ships.

The Halifax loading will be in the nature of an experiment, to encourage the shipment of Maritime products to the Arctic, Mr. Hees declared. It is expected that several hundred tons of package freight will be involved.

The CMS "Sir William Alexander" will load at Halifax for Cape Harrison, Resolute Island, Cape Hope's Advance, Payne Island and Nottingham Island.

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FORCES COMBAT UNEMPLOYMENT

To provide immediate additional work for Canada's labour force and to avoid layoffs that might otherwise have occurred, work will start immediately at Department of National Defence installations in 44 localities across the country. Seventy-five specific items will be involved in the \$886,000 project, the work for the most part involving building maintenance at existing establishments.

All three branches of the armed forces are co-operating in this action to help alleviate the winter and spring unemployment situation to the greatest possible degree and in support of the Government's "do-it-now" policy.

DECLARATION OF SOLIDARITY

In a joint declaration of solidarity, Mr. Horacio Lafer, Secretary of State for External Relations of Brazil, and Mr. Howard Green, Secretary of State for External Affairs of Canada, last week reaffirmed their strong belief in the need for improvement of the standard of living of people throughout the world for the achievement of greater economic, social and political stability.

In a statement issued during the visit to Ottawa of the Brazilian statesman, both Ministers referred to the collective efforts by their countries being made through the United Nations and its Specialized Agencies in which Canada and Brazil are playing an active part. They emphasized the importance of measures which have been and are being undertaken to maintain peace in the world. In this connection, particular reference was made to the fact that Canadian and Brazilian forces for peace are serving side by side in the United Nations Emergency Force in the Middle East. Dr. Lafer expressed confidence that Canada would play a constructive role in the ten-nation disarmament talks which are now under way in Geneva.

Dr. Lafer explained in some detail the objectives and plans for Operation Pan-Americana, an important initiative of President Kubitschek of Brazil. As part of the practical implementation of Operation Pan-Americana, a special Committee of Twenty-one has been established and Dr. Lafer hoped that Canada

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MACHINE RECORDS ACCIDENTS

Any accident recording system prepared to deal with the possible mishaps of 2,217,000 drivers must be efficient. Such a system exists in the Vehicle Accident Statistics Division of the Ontario Department of Transport.

Fortunately, only 90,000 accidents each year get into the Department's files, but even this number constitutes a headache for the statisticians.

Handling these records requires a mechanized bureau staffed by trained personnel. Six tabulating machines, a verifier and a computer process the information supplied by the provincial police on the accident report forms.

Ontario was one of the first jurisdictions in North America to recognize the need for detailed information on accidents and accident causes. As early as 1932, mechanical equipment was used for statistical analysis.

The history of accident records in Ontario goes back many years. In 1929, the Hon. Frank E. Hodgins, Justice of the Supreme Court, headed a Royal Commission to study and report on compulsory insurance and safety responsibility laws. His report included a strong

might send a representative to observe the forthcoming meetings of the Committee. Mr. Green expressed great interest in this effort for the development of this Hemisphere and said that Canada would study ways and means of co-operating.

The Ministers expressed appreciation of the results which had already been achieved under the existing cultural agreement between Brazil and Canada. They were of the opinion, however, that even more could be accomplished and they agreed to examine methods of increasing the effectiveness of this cultural agreement.

Later, in a meeting with Mr. Donald Fleming, Minister of Finance, and Mr. Gordon Churchill, Minister of Trade and Commerce, attention was given to trade matters in the light of the participation of both countries in the General Agreement on Tariffs and Trade. It was recalled that there exists a long and happy tradition of co-operation between Canada and Brazil in the field of private enterprise. There was agreement among Ministers on the importance of encouraging the continued expansion of mutually beneficial economic relations between the two countries; in this context they recognized the desirability of progressively removing existing restrictions and other barriers to their trade. The Ministers discussed trading developments in Europe and elsewhere in the world which are of substantial interest to both Brazil and Canada. They found a close similarity of outlook on these matters.

recommendation for the compilation of accident statistics and driver records. As a result, an accident reporting law was written into the Highway Traffic Act and became effective in 1930.

From 1930 to 1957, these regulations were administered by the Motor Vehicles Branch of the Department of Highways. In 1957, the accident division was transferred to the new Department of Transport.

In 1959, the Accident Statistics Division handled some 80,000 accident reports with approximately 138,000 drivers involved.

Where accident statistics are properly maintained, they serve many useful purposes. They help guide highway engineers to eliminate hazards from existing streets and roads, and help design safety into those still on the drawing board.

They help automobile manufacturers add still more safety features to their designs and they spotlight the habitual violator so that his deficiencies can be corrected by training programmes.

Accident reports help municipalities and provinces find locations requiring traffic signals and markings, and they also disclose weaknesses of laws and ordinances.

LAW-MAKERS AT C.D. CENTRE

Mr. J. Waldo Monteith, Minister of National Health and Welfare, recently invited members of the Senate and the House of Commons to visit the Canadian Civil Defence College at Arnprior.

Mr. George R. Pearkes, Minister of National Defence, in his capacity as chairman of the Cabinet Committee on Emergency Plans, described government emergency planning to the visitors. R.B. Bryce, Secretary to the Cabinet, spoke on civil emergency planning, and current arrangements for emergency health and welfare services were the subject of an address by Dr. G.F. Davidson, Deputy Minister of Welfare.

A brief tour of training facilities at the College concluded the visit.

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INTERNATIONAL PAYMENTS DEFICIT

Canada's purchases of goods and services from other countries during 1959 exceeded its sales to other countries by a record \$1,460,000,000, up from \$1,085,000,000 in 1958 and slightly above the previous annual peak of \$1,424,000,000 in 1957, according to the quarterly report by the Dominion Bureau of Statistics on the Canadian balance of payments for the final 1959 quarter. The continued recovery in economic activity in Canada and abroad had the effect of enlarging both international income and outgo, in particular outlays for imports of merchandise, income transfers, and other payments for services.

Owing to capital inflows and to accumulated earnings on international investments, Canada's net indebtedness to other countries rose from \$13,500,000,000 at the end of 1958 to about \$15,400,000 at the end of 1959. The main factor in this rise has been the steady growth in long-term investments in Canada, owned by non-residents, which stood at \$20,600,000,000 and \$19,100,000,000 at the end of 1959 and 1958 respectively.

More than half the increase in the deficit for the year was contributed by the enlarged balance from merchandise trade, which rose from \$170,000,000 in 1958 to \$386,000,000 in 1959, as imports climbed faster than exports. At the same time, the deficit from non-merchandise transactions continued the steady growth that has been under way for a number of years. At \$1,074,000,000 in 1959, this deficit made up about three-quarters of the total current deficit, having risen from \$915,000,000 in 1958. At this level in 1959, it was more than double the deficit from the same sources as recently as 1955, and many times the deficit a decade ago.

The rising trend in the deficit on non-merchandise transactions is attributable largely to the continued rapid growth in Canada's indebtedness to other countries and to

the high levels of incomes spent by an enlarged population. More than half this deficit is directly related to Canada's indebtedness abroad and subject to the effects of continued growth. Total interest and dividend payments by Canadians to other countries rose to \$656,000,000 in 1959 from \$586,000,000, and were higher than ever before. Other forms of transfer of investment income added \$100,000,000 in related payments, and there were also larger payments by Canadian subsidiaries to parent companies for services. Net payments on account of these groups of transactions, which are related to Canada's foreign investment position, amounted to well over \$600,000,000 in 1959. The substantial earnings retained in Canada on foreign investments are not included in this figure or the current account.

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HISTORIC LOCOMOTIVE ON SHOW

A giant locomotive that once chugged its way through "roller-coaster" terrain of the Rocky and Selkirk Mountains between Calgary and Revelstoke, British Columbia, has become the newest visitor attraction in the City of Calgary.

It stands on rails at a site in Mewata Park in the central section of the city, facing the mountains it was built to conquer. Adding to the glory of the steamer is a full-scale replica of a pioneer station-house, complete with hardwood benches and pot-bellied stove. The station acts as a tourist information centre and is the headquarters of the Calgary Tourist and Convention Association.

The locomotive is one of the famous "5900's", an engine designed to challenge one of the toughest sections of railway in the world. A total of 35 of these giants were built and were in service on the Canadian Pacific Railway's transcontinental line from 1929 to the early 1950's when they gave way to smaller, more efficient diesels.

The 5900's were the biggest locomotives in the British Commonwealth. The driving wheels are 5 feet, three inches in diameter. The distance from the pilot to the back of the tender is 98 feet while top to bottom height measures 15 feet, six inches.

The loaded weight of the engine in service was 447,000 pounds. The tender weighed an additional 284,000 pounds. An oil burner, the locomotive carried 4,100 Imperial gallons of oil and 1,200 Imperial gallons of water.

The engine on display at Calgary is the "5934", second last of the series to be built. It was obtained by Calgarians through civic funds and public donations and the co-operation of the Canadian Pacific Railway.

Photography platforms are to be erected early this year and will enable visitors to take pictures of the steamer from various points of advantage. The cab will be open to inspection.

REGIONAL PRICES INDEXES

Seven of the ten regional-city consumer price indexes were lower between the beginning of January and the beginning of February, with declines ranging from 0.1 per cent in Halifax to 0.5 per cent in Winnipeg. Indexes in both Saint John and Toronto were unchanged, while the index for St. John's rose a fractional 0.1 per cent.

Food indexes were lower in seven regional cities from Montreal to Vancouver, unchanged in Saint John, and up 0.2 per cent in both Halifax and St. John's. Shelter indexes were down in both St. John's and Halifax, up fractionally in Saint John, unchanged in four cities from Montreal to Winnipeg and up in the other three western cities. Clothing indexes showed mixed results, with three regional-city indexes higher, four lower, and the remaining three unchanged. The household-operation group indexes experienced similar movements, as three city indexes increased, four decreased, and three were at the same levels as during the previous month. Group indexes for "other" commodities and services recorded little or no movement, as six of the ten regional-city indexes were unchanged, two were up a fractional 0.1 per cent, and the other two were down 0.1 per cent.

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NEW FLIGHT SIMULATOR

Trans-Canada Air Lines' pilots are "flying" sleek, 550-mile-an-hour Douglas DC-8 jetliners without becoming airborne.

It's being done in a DC-8 flight-simulator -- a million-dollar electronic mock-up of the DC-8 cockpit, complete in every detail and capable of doing anything the aircraft can do -- except leave the ground.

Built by Link Aviation Company, of Link Trainer fame, the simulator has been installed at TCA's new \$20,000,000 maintenance and overhaul base at Montreal Airport in an air-conditioned and temperature-controlled training building where it will soon be joined by "Viscount" and "Vanguard" simulators.

Both flight crews and ground crews involved in aircraft operation will be "checked out" on the DC-8 machine, saving the airline many hundreds of thousands of dollars and countless man hours each year.

It costs close to \$1,200 an hour to fly the DC-8 jet; approximately a quarter of that to fly the simulator.

The DC-8 simulator is fully electronic, employing many of the same principles used to guide moon rockets into outer space, including a magic brain of multiple computers, digesting information and resolving it in the form of

instrument readings and machine reactions. It has been called the largest analogue computer in the world.

The DC-8 machine simulates any aircraft action down to the last perfect detail, even to random passenger movement; while in "flight", simulator trim alters as hypothetical passengers walk up and down the aisles. This action automatically ceases when the seat-belt warning lights are turned on.

The simulator receives its life from 21 control cabinets containing fantastically complicated electronic and hydraulic equipment.

There are 10 electronic cabinets, each with four racks, containing more than 4,000 vacuum tubes, 500 amplifiers and 250 servo-motors; two power cabinets; four radio-aids cabinets, three air-conditioning and blower cabinets to cool the simulator and ancillary electrical equipment; a dual-refrigeration and air-conditioning cabinet for the flight deck of the machine and a 3,000 psi hydraulic package.

The whole complex is linked together and to the simulator itself by more than 128 miles of wiring.

Most of the power for the machine comes from five generators driven by three 15 h.p. electric motors, each generator supplying a different current. There is a plus 300-volt generator, a minus 300-volt generator, a plus 28-volt generator, a minus 28-volt generator, all direct current, and a 110-volt, 400-cycle alternating current generator.

Together, they supply enough power to satisfy the electrical needs of 50 average-size homes.

The hydraulic system actuates the simulator, nosing it up on take-off and climb, down on descent, and banking it on turns.

Electronic noise generators duplicate the engine noise inside the cockpit, altering the roar of the engines with the movement of the throttles.

Operation of the simulator is monitored on two control panels -- one a long-range panel for complete point-to-point flights, the other a local panel for airport operations.

The instructor can simulate in-flight incidents, such as loss of an engine in flight, failure of an electrical system and the like, and can monitor the flight crews' corrective action.

The flight-deck instruments, duplicated on the control panels, respond to every action of the simulator.

"It's just like flying the real thing," commented one senior TCA pilot. "You may not leave the ground, but that's pretty hard to believe when you're seated in front of that instrument panel with the 'rush' of the engines in your ears."