



# CANADIAN WEEKLY BULLETIN

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## "SERVICE INDUSTRIES" EMPLOY MANY

More and more Canadians are being employed in "service industries" in proportion to those working in production fields, according to the Bank of Montreal's Business Review for November, which summarizes a 161-page study of the subject undertaken by the Bank for the Royal Commission on Canada's Economic Prospects.

Today, the Review says, 45 per cent of the labor force is employed in service industries, "generally regarded as comprising all those sections of the economy that do not produce goods but do provide a service of some kind". This proportion, which continues to increase steadily, compares with 18.5 per cent in 1881, 28 per cent in 1901 and 38 per cent in 1931.

In retail trade, largest of the service industries, employment is expected to rise to 1,610,000 by 1980, more than two-and-a-half times the 1950 figure, the Bank of Montreal says. It is already foreseen that there will be fewer individually operated stores in the future, with more retail business in the hands of corporations and partnerships.

But the Bank of Montreal study does not see trade necessarily more concentrated in chain or department stores in the future.

However, it does forecast "a continuing problem for all types of stores in respect to profit margins, as the effects of rising wage rates and shortening hours of work are unlikely to be offset by increases in productivity".

Government employment, especially, has occupied an increasing proportion of the labor force, and by 1980 this figure may total 665,000, or 2.5 per cent of the forecast population, compared with 1.6 per cent of the 1951 population, the Bank of Montreal considers.

Women workers figure prominently in the service industries, the review continues, where, for at least the past 25 years, more than 70 per cent of all working women have been employed, despite the marked decline in the number employed as domestics.

Generally speaking, however, the Bank of Montreal study shows service industries are not "large users of capital equipment in relation to man-power", adding that this feature is mainly responsible for the steady increase in the relative importance of the service industries from the point of view of employment.

In mining and manufacturing, there has been a significant expansion of output with a much smaller increase in employment, while in the case of agriculture higher output has been accompanied by an actual decline in the number of workers.

On the other hand, "the rise in output of the service industries has entailed a proportionate, and in some cases more than proportionate, rise in the number of people employed", the review says.

Thus, a persistent shift in the over-all

(Over)

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pattern of the labor force has evolved, and "with the trend expected to continue, the service industries may by 1980 employ more people in Canada than all other sectors combined - a situation that has already been reached in the United States", the Bank of Montreal review concludes.

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**INTEREST RATES DOWN:** Interest rates on new loans by the Industrial Development Bank have been reduced by 1/2 of 1 per cent effective Monday, November 18, it was announced by James E. Coyne, President of the Bank. In a statement Mr. Coyne said this action was being taken in view of the substantial decline in yields on Canadian Government securities and other interest rates in Canada during the past three months.

The last previous change in interest rates of the Industrial Development Bank was in September 1956, when the rate was increased from 6 per cent to 6 1/2 per cent. The present move brings the normal interest rate on typical five-year or ten-year term loans back to 6 per cent.

The annual report of the Industrial Development Bank for the year ending September 30, 1957, will be made public shortly and will show that nearly 400 new loans to provide medium term capital for small and medium-size business had been made in the preceding twelve months, a substantial increase over earlier years. The average size of loan had declined from approximately \$100,000 in 1956 to about \$60,000 in 1957. A substantial number of loans had been made in the under-\$25,000 category to many different branches of Canadian industry.

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**SHIPS FOR TURKEY:** The first five of 10 Bangor class coastal escorts of the Royal Canadian Navy to be transferred to Turkey under the NATO Mutual Aid agreement will be formally handed over by the Hon. George R. Pearkes, V.C., Minister of National Defence, on Friday, November 29. The Minister will be accompanied by Vice-Admiral H.G. DeWolf, Chief of the Naval Staff.

The ceremony will take place at Point Edward Naval Base, Sydney, N.S., where the ships will be formally accepted on behalf of Turkey by his Excellency Ahmet Cavat Ustun, the Turkish Ambassador to Canada and Dean of the Diplomatic Corps in Ottawa.

Making up the first group of five to be transferred are the Kenora, Kentville, Nipigon, Fort William and Medicine Hat. The others, due to be turned over early in 1958, are the Blairmore, Mahone, Sarnia, Swift Current and Westmount.

All 10 ships have been in the reserve fleet at Sydney and are being completely refitted in preparation for transfer. Following service in the RCN, they had been placed in strategic

reserve in Sydney as part of the Canadian contribution to NATO forces.

Officers and men of the Turkish Navy who will man the first five ships arrived at Sydney in the Turkish naval tanker Akar on Wednesday, November 13. An advance party of Turkish officers has been in Sydney since September familiarizing themselves with the ships.

Following the transfer ceremonies, the Turkish crews will carry out sea training in the ships and will sail early in December for Turkey via the Azores. They will be accompanied on the voyage by the Akar.

The Turkish Navy, with a personnel strength of approximately 20,000, already has some ships of this class in service. Highly manoeuvrable, they are employed in patrol work along the country's long coastline.

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**NEW SUB DESTROYER:** The eighth of Canada's new anti-submarine destroyer escorts, and the first of an improved type, Her Majesty's Canadian Ship Restigouche will be commissioned on Saturday, November 30, at Canadian Vickers Ltd., Montreal.

Following her commissioning, the Restigouche will sail for Halifax to join the Atlantic Command.

The Restigouche is one of a class of ships considered to be the most advanced anti-submarine vessels in the world. Her main anti-submarine armament consists of two mortar mountings, each capable of firing three high-explosive anti-submarine projectiles simultaneously and with great accuracy in any direction.

The mortar is controlled by means of electronic apparatus which locates and tracks the submarine and fires the mortar at the correct moment. The ship is also equipped with homing torpedoes which can alter course to pursue an enemy target on or below the surface of the sea.

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**PEACEFUL ATOMS:** Negotiations have taken place in Ottawa with representatives of the Swiss Government on the terms of a proposed inter-governmental agreement for co-operation in the peaceful uses of atomic energy. Such an agreement will permit arrangements to be made for the supply of uranium from Canada for peaceful uses in Switzerland. Bilateral arrangements of this nature are consistent with membership in and support of the International Atomic Energy Agency.

The negotiations with Swiss representatives have now concluded with the preparation of a text for consideration by the two governments with a view to the early conclusion of the proposed agreement.

Similar negotiations are being undertaken with other governments desirous of entering into such agreements.

## WHEAT PROSPECTS

In an address to the Annual Meeting of the Saskatchewan Wheat Pool in Regina on November 15, Hon. Gordon Churchill, Minister of Trade and Commerce, said in part:

"You may ask me what are the prospects for wheat sales this year. I think they are good. I think that our objective of an export volume of 300 million bushels will be achieved. If we fall short of that objective, it will be because of factors beyond our control. The most serious encroachment on our wheat markets during the last two years has been a result of the surplus disposal programme of the United States. If that programme is carried out this year with more consideration for Canada's interests, as I think it will be, we should regain our normal thirty per cent of the international trade in wheat.

"We are keeping a vigilant eye on our nearest neighbour. And it is discouraging to note that in the flour export business, heavily subsidized, they are invading some of our well established markets. For example, in Trinidad during the last six months, American flour sales have increased over last year by 21 million pounds, and Canadian flour sales have declined by about 15 million pounds. In Barbados, the United States increased its flour sales by over 4 million pounds and Canada's declined by more than 2½ million. A loss occurred of 3 million pounds in exports to British Guiana. These are examples of the competition that Canada faces with the United States.

"We raise no objection to the generous aid that the United States has been giving to various countries of the world where the need for food is great. We have objected to encroachment on our ordinary commercial markets that are so essential for our export trade.

"Numerous suggestions have been made from time to time of various methods of disposing of our surplus, and serious consideration is being given to every proposal that is made. There is a very noticeable trend towards credit transactions for wheat, and in this field we are prepared to be active if terms and security are satisfactory.

"I think we must realize that our surplus will not disappear in a short period, but even so there is no need for either panic or complacency. A vigorous sales policy maintained in our normal markets, an exploration of possible new markets, an emphasis, where needed on increased marketing facilities, cash advances when deliveries cannot be made - these are the steps that are necessary and that are being taken. I can assure you that no effort will be spared to maintain and improve our export of wheat.

"The general trade picture for Canada is not discouraging. Imports and exports are

continuing at a high level, but the imbalance of our trade with the United States requires very close attention. The most significant change in Canada's position since the war has been the increased concentration of trade with the United States at the expense of the United Kingdom and the rest of the Commonwealth. Sixty per cent of our exports go to the United States and seventy-three per cent of our imports come from that country. Our trade with the Commonwealth has declined to 20 per cent for exports and 12 per cent for imports. This situation has important implications for all Canada but to no part of our country more than to the western prairie region. Western Canada is dependent for a major portion of its well-being upon our export trade in wheat. We look abroad to the United Kingdom, Europe and Japan as our customers. But if they do not have the dollars to buy our wheat we suffer accordingly. They can get the dollars if we buy from them.

"It is with these general considerations in mind that arrangements have been made in recent talks between Canadian and United Kingdom Ministers to have a Canadian trade delegation visit the United Kingdom later this year. This mission will have as its fundamental and ultimate purpose the promotion of two-way trade between the two countries. However, since any significant increase in British purchases from Canada is dependent to such a degree upon the strengthening of Britain's external financial position, particular emphasis will be placed upon searching out new sources of supply for Canadian imports. It is not the intention to interfere with competitive purchasing of imports -- whatever source. The eventual result should, in fact, be to foster, rather than impede, more competitive purchasing. Many influences affecting Canadian purchasing in the United States -- the matter of proximity, the constant pull of advertising and styling, the subsidiary -- parent influence, the tendency to adhere to established lines of business, these and many other factors no doubt result in extensive purchases being made in the United States of goods which might be obtained more economically elsewhere. With the tremendous strides now being made in industry, the world over, it would be difficult to over-emphasize the advantages to be gained by constant watchfulness in the matter of economic sources of supply.

"As a further means of assisting the United Kingdom sales and earnings in Canada, the Government has undertaken to review all forms of Government purchasing in Canada, including that of Crown Companies, with a view to encouraging and facilitating sales by United Kingdom manufacturers of goods now imported from non-Commonwealth sources."

**TERM EXTENDED:** It was announced November 18 by the Prime Minister that:

"Her Majesty The Queen had been graciously pleased to approve the continuance in office of Right Hon. Vincent Massey, C.H., as Governor General of Canada for a further and additional period of one year from the spring of 1958.

The Prime Minister said: "This extension of the Governor General's term constitutes a recognition of the outstanding manner in which Mr. Massey has discharged the high responsibilities of the office with which expression I am sure the Canadian people will be in agreement."

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**SENIOR DIPLOMATS SHUFFLED:** The Secretary of State for External Affairs has announced the following appointments and transfers in the Canadian Diplomatic Service:

Dr. Robert A. MacKay, at present Permanent Representative of Canada to the United Nations New York, with the rank of Ambassador, has been appointed as Ambassador to Norway and Minister to Iceland to succeed Mr. Chester A. Ronning, whose appointment as High Commissioner for Canada in India was announced earlier.

Mr. Charles S.A. Ritchie, at present Ambassador to the Federal Republic of Germany and Head of the Canadian Military Mission in Berlin, has been appointed as Permanent Representative of Canada to the United Nations, New York, with the rank of Ambassador. In his new capacity, Mr. Ritchie will be accredited as Permanent Representative of Canada to the Security Council, to which Canada was recently elected for a period of two years beginning on January 1, 1958.

Mr. Escott M. Reid, who has been serving as a member of the Canadian Delegation to the 12th session of the General Assembly of the United Nations, and who was previously High Commissioner for Canada in India, has been appointed as Ambassador to the Federal Republic of Germany and Head of the Canadian Military Mission in Berlin.

Dr. MacKay, Mr. Ritchie and Mr. Reid will take up their new duties next January.

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**RECORD BOND SALES:** Donald M. Fleming, Minister of Finance, announced that Canada Savings Bond sales this year had achieved a record total of \$941 million by November 15, a month and a half after sales began. The Minister said he expected that when sales reports were complete they would be over the billion dollar mark.

The previous record was a final total of \$900 million for the Canada Savings Bond campaign in 1953.

Sales on the current Payroll Savings Plan are now up to \$207 million from 664,000 ap-

plications for an average purchase of \$311.97.

Across Canada, the Prairie Provinces' Payroll Savings Organization was in the lead with a 6 per cent increase and other regions were close behind.

Sales to employees of the railways and members of the public service and armed forces accounted for \$58 million of the payroll total.

Sales to the general public were \$734 million from 438,000 applications for an average purchase of \$1676.90. Sales by banks were running \$210 million ahead of their sales for the same period last year.

Mr. Fleming said these record returns should be a matter of great satisfaction to the various sales agencies and to the Payroll Savings Organization. He expressed his appreciation for the enthusiasm which they had displayed in carrying out their assignment.

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**NEW LIEUTENANT GOVERNOR:** Prime Minister J.C. Diefenbaker announced November 20 that His Excellency the Governor General has approved the appointment of Campbell L. Macpherson of St. John's, Newfoundland, as Lieutenant Governor of Newfoundland, succeeding Colonel the Honourable Sir Leonard C. Outerbridge, who retired November 15, 1957.

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**UNIVERSITY EXPANSION:** An expansion programme for the University of Alberta at Edmonton, with an ultimate cost which may approach \$19,000,000 has been approved by University officials and the Provincial Government. A joint announcement was made by Dr. Andrew Stewart, president of the University, and the Hon. E.W. Hinman, Provincial Treasurer.

Plans call for the construction of a physical Education Building, which will provide gymnasium facilities for both men and women and adequate teaching and offices for the staff of the School of Physical Education. A new ice hockey rink is proposed, to replace the old Varsity rink. Rink building space will be available also for such uses as University examinations, faculty displays and demonstrations, and other student activities.

Largest single building project in the immediate future is the combined Physics - Chemistry - Mathematics Building, which may ultimately cost \$7,000,000.

Addition to the Medical Building is planned to provide increased accommodation for the faculties of Medicine, Dentistry and Pharmacy, and space for the Schools of Nursing and Physiotherapy.

Plans for the expansion of the University of Alberta in Calgary on the new campus at the north-west edge of the city are under discussion by University officials.

Planning has already begun and a start on the over-all expansion programme is expected early in 1958.

## OPERATION NORS '57'

The frigid reaches of the Arctic this year were the setting for the biggest civilian supply job on record in the Far North, the Department of Transport's "Operation Nors '57".

It was a large scale operation into difficult territory, comprising the transport of some 8,000 tons of supplies and involving five ships. Its main objective was the supply of the Joint Canadian-United States Weather Station at Resolute on the south shore of Cornwallis Island, 2,800 miles by sea from Quebec so far north that its nearest centre of civilization, Churchill, Man., is more than 1,000 miles to the south.

Taking part in "Nors '57" were the Department of Transport icebreakers, "d'Iberville" and "N.B. McLean", its northern supply ship "C.D. Howe" and two chartered vessels, the freighter "Kingsbridge" and the tanker "Sea Transporter".

Important and difficult part of "Nors '57" was the supply of the Joint Weather Station at Eureka, 400 miles north of Resolute. This part of the project, involving nearly 900 miles of journeying through ice fields that were at times almost impassible, was carried out by the 5,678-ton "d'Iberville".

## ARCTIC SURVEYS

In addition, there were hydrographic and aerial surveys to be made, the latter by three helicopter crews attached to the "d'Iberville" and "C.D. Howe", whenever these could be carried out without delaying the primary supply task.

The main assignment of the five-ship convoy was the heaviest undertaken by the Department of Transport in the Far North. This year's total shipment comprised about 1,500 tons more

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**THE EMPLOYMENT SITUATION:** Total employment at mid-October was estimated to be 5,797,000, which is 123,000, or 2.2 per cent more than a year earlier. The labour force, estimated to be 6,005,000 in mid-October, was 233,000, or 4 per cent higher than a year earlier, a reflection of the substantial volume of immigration in the past year. The number of persons without jobs and seeking work was estimated to be 208,000 at mid-October.

The sustained demand for labour this fall, despite a seasonal decline in farm employment, is attributable in large part to the construction, trade, finance, and service industries, in which employment has risen steadily throughout the year. There was little or no change in manufacturing employment as a whole during October, and employment continued relatively weak in both lumbering and pulpcutting.

than any previous year's consignment.

Commodore of the convoy to Resolute was Capt. C.A. Caron, master of the "d'Iberville"; Capt. P.M. Fournier, master of the "C.D. Howe" was second in command. Fortunately, weather conditions were excellent and there were none of the costly delays that sometimes plague Arctic operations during the brief three-week period when the sea lanes are open to shipping. Favourable winds kept the ice offshore at Resolute, a vital factor in view of the total lack of landing or docking facilities there.

## FIFTY-DAY TASK

"Operation Nors '57" took 50 days to complete, the Resolute unloading job being carried out in only eight days. With the weather aiding them, the ships' crews were able to continue the unloading on a 'round-the-clock' basis.

The ships had to bring all shore-to-shore transport equipment with them, from fork lifts to cranes, cranemobiles and trailers. Their cargoes included everything from snow-clearing machinery to prefabricated buildings, some of the items so big and cumbersome they called for real skill and ingenuity in getting them from ship to shore.

Vast quantities of oil and gasoline were landed, partly in drums, partly pumped ashore via big hose lines strung along on floats made of empty drums.

Finally the ships were emptied and materials such as empty oil drums and equipment being sent back south for overhauling, were taken aboard. Then, their mission accomplished, they headed out of Resolute, the "d'Iberville" to proceed to Eureka and then to Quebec to load a further consignment for Hudson Bay, the others southward to new duties.

**MAPLE PRODUCTS:** Production of maple products (expressed as syrup) in 1957 was estimated at 3,134,000 gallons, up 17 per cent from 1956's total of 2,677,000 gallons and 19 per cent from the five-year (1950-54) average of 2,626,000 gallons. Dominion Bureau of Statistics reports. Output of maple syrup also rose 17 per cent to an estimated 3,068,000 gallons from last year's 2,618,000 and 25 per cent from the five-year average of 2,464,000. Maple sugar production climbed to 661,000 pounds from 586,000 a year ago, but was sharply below the five-year average of 1,627,000 pounds.

All producing provinces made more maple syrup and maple sugar this year than last. Maple syrup totals were Nova Scotia, 6,000 gallons (3,000 in 1956); New Brunswick, 19,000 (10,000); Quebec, 2,705,000 (2,335,000); and Ontario, 338,000 (270,000). Maple sugar: Nova Scotia, 16,000 pounds (8,000); New Brunswick, 96,000 (37,000); Quebec, 536,000 (535,000); and Ontario, 13,000 (6,000).

**OPEN ROAD TO SUNSHINE.** Resources Minister Alvin Hamilton announced today that the National Parks Branch is prepared to undertake winter maintenance and snow removal work on the access road to Sunshine Ski Village in Banff Park, one of the most popular winter resorts in the Canadian Rockies.

For some years the Parks Service has maintained more than half of the road. The announcement means that the Service will now be ready to maintain the entire road throughout the period that the Village is in operation, and that all visitors to Banff Park will be able to see this unusual area for the payment of a modest transportation fee, whether or not they wish to use the Village facilities.

The further extension of maintenance work on access roads leading to other somewhat comparable developments is still under study, but it is hoped that the full details of a new policy to be applied throughout the National Parks system can be announced in the very near future. These developments, such as Sunshine Village, provide particularly attractive settings for holidays in the National Parks. Last year some 3000 skiers visited Sunshine alone.

**NAVY ON BEAM.** A radio communications team of the Royal Canadian Navy has been credited by a United States Naval Admiral with providing, during the 1957 DEW Line supply operation, "the best communications yet experienced in the Arctic".

The ten-man team, headed by Lieut. H. C. Clark, of Vancouver, operated a radio station at Frobisher, Baffin Island, from July 1 to October 15.

The temporary station was established by the RCN to facilitate communications while the annual seaborne supply of Eastern Arctic DEW Line site was in progress. It had been found in previous years that ships operating in those waters, while able to receive messages from mainland shore stations, frequently had difficulty in getting their own messages cleared.

This year it was decided to install a Canadian naval radio station which could aid in relaying the ships' messages to shore. The naval communications team was flown to Frobisher, with all its equipment, by the RCAF and the station began operating on July 1.

For the station's staff the highlights of the Frobisher stay came when the RCN's Arctic patrol ship, HMCS Labrador, visited the port, first in August and again early in October.

On the completion of the supply operation, the station was closed down, but before officially going off the air it received a message of appreciation from Rear-Admiral Roy Gano Commander Task Force Six of the Atlantic Arctic Task Force, Military Sea Transportation Service. Addressed also to the Naval Radio Station, Albro Lake, N.S., the message said:

"The performance of duty exhibited by your personnel in support of 1957 Military Sea Transportation Service Atlantic Arctic operations has reflected the greatest credit upon the Royal Canadian Navy and has been a major factor in providing MSTSLANT ships with the best communications yet experienced in the Arctic. Well done."

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**PART OF SEAWAY OPEN BY '58.** Three new locks in the St. Lawrence Seaway are expected to be operating by 1958.

The lock at Iroquois, Ontario will provide access for ships between that part of the Seaway channel which is being dredged from Lake Ontario down through the Thousand Islands and the waters of the "Seaway Lake" or power pool downstream. This pool is being created by the Iroquois Control Dam, nearby, and the Long Sault Control Dam and the Cornwall-Barnhart Island powerhouse, some 35 miles downstream.

Canal-ships and the small ocean-going craft that now ply the present St. Lawrence Canals system use the Galop Canal to cut through Iroquois Point at this time. Soon this canal will be flooded and parts of it filled in.

From that time and during the navigation season of 1958 these ships will use the Iroquois Lock. Next year ships will also use the two United States locks near Massena, N.Y., opposite Cornwall, to proceed between the Thousand Islands Section and Lake St. Francis and the Soulanges and Lachine Canals downstream. (With the raising of the waters in July 1958, the Morrisburg, Farran Point and Cornwall Canals in the International Rapids Section will become inoperative.)

The St. Lawrence Seaway, with a depth of 27 feet for its entire length, from Montreal to Lake Erie, will open to navigation in the Spring of 1959.

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**BALTIC CRUISE:** Six Canadian warships ended their good will cruise to Baltic ports last week and headed back across the Atlantic to Halifax after a rendez-vous with the carrier Bonaventure and the destroyer escort Ottawa. The eight ships are due in Halifax Nov. 27.

Since leaving Canada Sept. 5, the destroyer escorts St. Laurent, Saguenay, Assiniboine, Haida, Micmac and Nootka have taken part in a series of major NATO maritime exercises and have visited Portsmouth, Portland, Stockholm, Helsinki, Copenhagen, Asbenraa (Sweden), Kiel, Hamburg and Oslo.

In every port they were warmly welcomed, and good will toward Canada was most noticeable, and was strengthened by the visits.

On November 10 the St. Laurent's band had the honor of playing at the Oslo Cathedral, where King Olav V attended the Remembrance Day Service sponsored by the British community in the Norwegian capital.