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## CONTENTS

The Defence Department Tightens Its Belt.....	1
RCAF Fitness Plan .....	2
Teachers for New Nations .....	3
Industrial Production Index.....	3
Start on New Lighthouse .....	3

NRC President Dies .....	3
Tax Policy to be Studied .....	4
U.S.-Canada Lumber Talks .....	4
Use of Farm Land .....	4
Leather Mission to Western Europe .....	4

## THE DEFENCE DEPARTMENT TIGHTENS ITS BELT

"It is natural..., since defence expenditures absorb a substantial percentage of the Governmental expenditures, that my Department should be asked to do what it can to reduce expenses to help meet this situation", said the Minister of National Defence, Mr. Douglas S. Harkness, in a statement issued on August 24, concerning the response of the Department of National Defence to the "austerity programme" announced in June by Prime Minister Diefenbaker. The Minister stated that a study of the defence budget had resulted in "a programme... which will enable my Department to reduce its planned expenditures this year by some \$86 million".

The statement continued as follows:

"...These savings are dictated by economic necessity and cannot, in any sense of the term, be attributed to unnecessary expenditures in the programmes of the Services. In each case the basic objective has been to cut expenses without compromising the immediate operational capability of the Armed Forces.

### NAVAL CUTS

"The Royal Canadian Navy will bear its share of the task of achieving this reduction by placing some restrictions on ships' fuel consumption, cancelling the refit of HMCS 'Huron', reducing travel, maintaining the 1962-63 RCN Reserve programme at the level of 1961-62 activity, and deferring shore-construction projects and procurement of training equipment. The 'Banshee' Fighter Squadron (VF870) will be paid off by the end of September 1962 instead

of the end of December 1962. Personnel strength will be maintained at the present figure of 21,720. The total reduction in costs will amount to about \$15,500,000.

"In devising this schedule of economies for the RCN, care has been taken to ensure that the operational strength required for national and international commitments is maintained, existing shipbuilding and replacement programmes continue, and that service conditions for officers and men remain unchanged.

### ARMY SAVINGS

"The Army will reduce its estimates by deferring its strength increase and also deferring certain proposed projects. The total reduction in costs will amount to about \$29 million and will also include implementation of some economy measures.

"The build-up of the Army to its authorized strength of 59,370 is being suspended. The monthly intake of recruits is being limited to those necessary to maintain the Army at about 50,000. The present strength of 52,800 will be allowed to run down to the 50,000 figure. The current estimates include monies for pay and allowances, rations, uniforms and maintenance for the Army's strength increase. Personnel postings, travel and material-shipment costs will be reduced. Restricted use of military vehicles will also be imposed by the Army. Building maintenance, primarily painting, has been deferred where possible. Rentals of telephone and teleprinter circuits, usually a heavy expenditure, will be restricted.

(Over)

"Other reductions in the current estimates for the Army will be found by deferring certain projects and postponing procurement of some items.

#### RCAF REDUCTIONS

"The RCAF's share of the reduction in current defence spending amounts to some \$35 million. The reductions will be made from capital expenses and overhead on an almost equal basis.

"To achieve this substantial reduction, changes in certain programmes and activities will be made. The disbandment of the four CF-100 squadrons in Europe will be advanced to 1 January 1963.... RCAF Station Saskatoon will be reduced, 1 October, 1962, and its training load absorbed by the other continuing stations.

"No. 426 Squadron, based at St. Hubert, P.Q., will be disbanded 1 September 1962, and the remaining squadrons in Air Transport Command will undergo certain reorganization to take over some of the work done by 426 Squadron. Some of the 'North Star' aircraft with which this squadron is equipped will be diverted into the Transport Operational Training Unit at Trenton, Ontario, and other units. Further action on the installation of 45 gap-filler radars will be deferred.

"Along with the Armed Forces, the Defence Research Board is examining the current year's budget in detail with the aim of reducing expenditures in every way possible. Reductions being applied to operating expenditures will result in significant economies to the amount of about \$1,250,000. Affected will be items such as the travel expenses of staff members, the maintenance and upkeep of DRB-operated property and the purchase of some items of new equipment, and particularly those which are normally purchased from other countries.

"Additional cuts of approximately \$5,250,000 have been made in Mutual Aid, Departmental administration and other miscellaneous expenditures.

"The above is not a complete list but indicates the kind of changes within my Department which have been necessary to realize savings with as little harm as possible to the emergency capability of the services in all their varied roles.

"Since the nature of the emergency is temporary, I feel it will be possible - although it would obviously be undesirable on a long-term basis - to accept the deferment of the repair and overhaul programmes to buildings and equipment, and delay the purchase of certain new items.

"It is the intention of the Government to affect the operational tasks now allocated to the Services as little as possible. The reductions being made to meet this emergency reflect this policy."

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#### RCAF FITNESS PLAN

A few years ago, the Royal Canadian Air Force, concerned about the physical condition of its members, took steps to produce a new, individual-fitness course for their use. The responsible officers didn't dream they would soon have a best-seller on their hands, with demands for copies coming from all over the world.

The booklets that have stirred such interest are "5 BX" (five basic exercises), for men, and "X

BX" (10 basic exercises), for women. Produced by the Queen's Printer, official government publishers, they have already sold more than 400,000 copies and are expected to top the million mark before long.

#### RCAF INITIATIVE

In a modern industrial country like Canada, the need for physical-fitness programmes is urgent and growing, for automation and high material living standards bring with them an undesirable side effect of lower physical condition. Like other organizations, the RCAF noted the trend; but, because the physical condition of its members was of prime importance, the Air Force felt obliged not only to take note but to take action.

Traditional training programmes, mostly on a compulsory and mass-participation basis, are impracticable on most flying stations today because of the demands of shift work. Also, any mass activity is ruled out by the wide range of age groups involved - while some would be over-exercising, others would derive little or no benefit.

The need, then, was for a system of exercises that could be performed individually without equipment and in any convenient short period of the day. Also, the system would have to be equally attractive to aircrew, manual and office workers and still produce the desired physical condition.

To develop such a programme, the first step was taken in 1956, when research groups of RCAF recreation officials, aided by civilian experts, began to explore the requirements as well as the attitudes of people in the service. Among other things, it was realized that to be successful the programme must not demand too much work, time or money (in membership fees and equipment costs) from the participant.

In September 1958, after careful screening by top officials, including RCAF medical officers, "5 BX" made its appearance. Produced for use by Air Force personnel and offered for sale by the Queen's Printer, the compact, well-illustrated booklet reached national popularity in a few weeks, and soon after was in demand in other countries. In the first 37 months, with 240,000 copies sold, it had become the best-selling booklet ever handled by the Queen's Printer. The similar programme for women, "X BX", first published in October 1960, proved equally popular, and sold 180,000 in its first 13 months.

#### SIMPLICITY THE SECRET

Simplicity and convenience are the keys to the success of the "5 BX" and "X BX" plans. Well-organized charts and clear illustrations make them pleasant and easy to use. The exercises can be performed without equipment, and with equal ease in an office, a hall, a control tower, a living room or a barrack room, and take up only 11 minutes a day for men, 12 for women.

The great appeal of the plan is that fitness can be achieved at one's own rate of progress. Beginning with a set target for each age and physical group, the exercises are graded upwards in difficulty. One level must be mastered before moving to the next, thus there is no risk of overstrain. When the recommended level has been reached, exercises are continued in order to maintain it.

## TEACHERS FOR NEW NATIONS

The Secretary of State for External Affairs, Mr. Howard Green, attended a briefing conference at Macdonald College, Ste. Anne de Bellevue, Quebec, on August 25, to speak to a group of teachers who were being sent abroad by the External Aid Office under Canada's educational assistance programmes.

A record number of 85 new teachers are being assigned to 15 countries in Africa, Southeast Asia, the West Indies and British Guiana. The External Aid Office expects to have a total of 120 teachers working in the less-developed countries in the coming year.

Teachers and their families who were to serve in English-speaking countries attended the Macdonald College conference; teachers going abroad under the educational assistance programme for the French-speaking African states will be briefed at the University of Montreal early in September.

The conference provided an opportunity for teachers to see films on the less-developed countries and to participate in seminar discussions of the problems of particular areas. They also attended lectures by various education experts.

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## INDUSTRIAL PRODUCTION INDEX

The seasonally-adjusted index of industrial production (1946=100) rose one-half of 1 per cent in June to 186.6 from 185.8 in the preceding month. This latest advance was owing solely to a 1.1 per cent increase in manufacturing output, with mining and electric power and gas utilities lower by more than 1 per cent during the month. In the January-June period of this year the total index stood 9.3 per cent higher than in the comparable period of 1961. On a seasonally-adjusted basis, the second-quarter average was 1.8 per cent above the first-quarter level.

### NON-DURABLES

The non-durable manufacturing index rose 1.6 per cent in June. With the exceptions of petroleum products and miscellaneous manufactures, which were virtually unchanged during the month, and the printing and publishing industries, which were down by 2 per cent, all other non-durable major groups showed gains in June. Chemicals and clothing products were up 1 per cent, tobacco, textiles and paper products 2 per cent, foods and beverages and rubber products 3 per cent, and leather products almost 5 per cent.

### DURABLES

Durable manufactures rose one-half of 1 per cent in June. Iron and steel products gained a further 2 per cent in June, with almost all industry groups contributing, particularly iron castings (9 per cent), and primary iron and steel (3 per cent). Wood products, non-metallic mineral products and transportation equipment advanced 1 per cent, the latter owing to small increases in both shipbuilding and motor-vehicle output. Electrical apparatus and supplies climbed by 2 per cent during the month. With

a 10 per cent drop in non-ferrous metal smelting and refining output, non-ferrous metal products showed a substantial decline.

The drop in mining was almost wholly owing to a 3 per cent decline in metals, with both non-metals and fuels largely unchanged. However, in fuels, increases in both coal and natural gas were offset by a decline in the output of crude petroleum. For the most part, the metal-mining decline was concentrated in iron-ore and nickel production. Both these industries, however, have recorded good gains over a year earlier.

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## START ON NEW LIGHTHOUSE

In the second week of August, the 4,000-ton base of a lighthouse worth over \$1 million, which will guide ships round the treacherous Prince Shoal, at the confluence of the Saguenay and St. Lawrence Rivers, was sunk in 38 feet of water four miles of Tadoussac.

The caisson, or "yo yo" as its handlers call it, has an hourglass figure (vital statistics 203' - 78½' - 283'), the narrow waist helping to minimize the thrust from waves and ice. It was towed 105 miles from Quebec City by four chartered tugs. Fifty hours later, after battling fog and stormy weather, the giant structure was on site at Prince Shoal. Valves were opened by an eight-man crew, water poured in and three hours later the caisson was resting snugly on a specially-built stone mattress at the bottom.

Work is now continuing, as 5,000 tons of crushed rock are being poured into the tub to force out most of the water. Cement grout will then be pumped in and 3,000 cubic yards of concrete will be added, making the lighthouse base so heavy that current and ice will be powerless against it.

The superstructure, the construction on which is scheduled to start late in September, will be 12 feet high, with a 39-foot tower 12 feet in diameter on one side. The remaining area will be used for a helicopter deck.

Four lighthouse-keepers will man the tower in shifts of two when it becomes operational in the spring of '63. At present a lightship guides shipping in this area.

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## NRC PRESIDENT DIES

The President of the National Research Council, Dr. E.W.R. Steacie, died on August 28 in Ottawa after a brief illness, at the age of 61. He had been suffering from cancer.

Dr. Steacie had been President of the National Research Council since 1952. He had joined NRC in 1939, following a teaching and research career at McGill University.

Renowned as one of the world's leading physical chemists, he was at the time of his death serving in the three-year presidency of the International Council of Scientific Unions, the chief non-governmental organization for co-ordinating international activity in science.

### TAX POLICY TO BE STUDIED

Prime Minister Diefenbaker announced on August 27 the setting up of a Royal Commission on Taxation. The terms of reference will cover the whole field of federal taxation, including principles and practice and the impact of tax policy on the national economy.

The Chairman of the Commission will be Mr. Kenneth LeM. Carter of Toronto, past president of the Institute of Chartered Accountants of Ontario and past chairman of the Board of the Canadian Tax Foundation. He is at present serving his third term as president of the Canadian Welfare Council.

Other members of the Commission will be named shortly.

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### U.S.-CANADA LUMBER TALKS

On August 29, officials of the United States and Canadian Governments concluded two days of discussions in Ottawa on the present and future problems of the North American softwood-lumber industries, with particular respect to forest resources, growth rates, employment and markets. They also examined other factors affecting the respective industries in the two countries and the outlook for the future, and discussed in detail the trade in lumber between the United States and Canada, imports into the United States and the problems of the U.S. softwood industry. During the discussion of the last subject, the United States officials drew attention to the programme announced on July 26 by President Kennedy.

It was agreed that both countries had an interest in the resolution of problems facing the North American softwood-lumber industries. It was further agreed that discussions should be resumed in the near future. In the meantime, the delegations will be reporting back to their respective Governments and consulting with their industries.

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### USE OF FARM LAND

The proportion of improved land to total farm area increased during the inter-censal period 1956-1961, according to figures based on the 1961 Census of Agriculture recently released by the Dominion Bureau of Statistics. While the total farm area in Canada decreased 0.8 per cent from 173,923,691 acres in 1956 to 172,551,051 acres in 1961, the total improved land in Canada increased 3.1 per cent to 103,403,426 acres in 1961 from 100,326,243 acres in 1956.

The eastern provinces recorded a decrease and the Prairies and British Columbia recorded an increase in total improved land. New Brunswick, with

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the area of improved land decreasing to 734,107 acres in 1961 from 951,291 acres in 1956, registered the highest percentage decrease (22.8 per cent). British Columbia, with the unimproved area increasing to 1,303,263 acres in 1961 from 1,166,752 acres in 1956, registered the highest percentage increase (11.7 per cent).

The total area under crops in Canada decreased 0.8 per cent in 1961 to 62,435,534 acres from the 1956 total of 62,944,176 acres. All provinces, with the exception of Manitoba, Alberta and British Columbia, contributed to this decrease. The highest percentage decrease of 21.8 per cent occurred in New Brunswick, where the total area under crops changed to 482,548 acres from the 1956 total of 617,279 acres. The highest percentage increase (14.4 per cent) occurred in British Columbia, where the total acreage under crops advanced to 788,896 in 1961 from 689,749 in 1956.

The total area of improved pasture in Canada increased to 10,247,896 acres in 1961 from 10,057,819 acres in 1956 or 1.9 per cent. The decrease in acreage of improved pasture in the eastern provinces was offset by the increase in the western provinces.

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### LEATHER MISSION TO WESTERN EUROPE

The market for Canadian leather goods in Western Europe is being explored by a trade mission, including six members of the tanning industry. Before it returns to Canada on September 15, the mission will have visited Britain, Ireland, France, West Germany and Switzerland.

Its main purpose is to introduce representatives of Canada's primary leather industry to European agents, importers, wholesalers and end-users, with the aim of stimulating immediate and long-term sales of Canadian leather in the European market. It is hoped that such personal contacts and the business that should result from them will arouse European interest in Canada as a reliable and continuing source of a wide variety of top-quality leather goods.

The mission will also observe recent technological improvements in the European industry, with a view to their possible application in Canada, and will establish liaison with European leather-fashion councils to obtain regular information on seasonal style and colour trends on the continent.

The Canadian leather industry dates back to the founding of the first tannery in Quebec about 1670. A third of the 48 leather tanneries in Canada today are actively engaged in export trade. As Canadian tanneries currently export about 25 per cent of their production, amounting to a total of roughly \$9 million in foreign sales per annum, foreign trade is most important to the industry. Canada's main markets are the United States, Britain, Central America and South Africa, in that order.