



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

Vol. 13 No. 47

October 8, 1958

CONTENTS

Commonwealth Trade And Economic Conference..	1
Tories Win By-Elections	3
Colombo Plan Trainee	3
Trade Mission	3
Canada House Opened	3
South Saskatchewan Dam	3
Economy Steady	4

Architectural Award	4
Working Conditions	4
The Prime Minister's Tour	5
New German Ambassador	5
UNESCO Delegation	5
HMCS St. Croix Commissioned	6
CBC Report	6

COMMONWEALTH TRADE AND ECONOMIC CONFERENCE

Decisions and understandings reached by the Commonwealth Trade and Economic Conference, held in Montreal from September 15 to 26, can be summarized under the following headings: Trade, Commodity Problems and Agriculture, Finance, Development and Consultation.

TRADE

The Conference reaffirmed the common objective of freer trade and payments.

The Conference agreed that dollar discrimination should be progressively reduced and ended as soon as possible.

The United Kingdom removed import restrictions on canned salmon, newsprint, and most machinery. This means that import restrictions have now been removed for almost all raw materials, basic foodstuffs, and industrial machinery. The United Kingdom also invited Colonial Governments to relax restrictions on a wide range of dollar imports. It announced its intention all being well to make a start next year on the removal of all remaining restrictions.

In recent weeks Australia relaxed dollar restrictions on a further 10 per cent of its total imports.

The Conference agreed on the great value of the existing system of preferences and the importance of maintaining it.

The United Kingdom confirmed its intention to maintain free and unrestricted entry for nearly all Commonwealth goods as an important part of the preferential system.

Canada undertook to bind against increase under the GATT the British preferential rates of duty for an important list of products of special interest to the United Kingdom. Many of these items now enter Canada duty free.

Canada also undertook to bind against increase the special low rate of duty on mutton and lamb accorded to New Zealand and Australia.

The following trade agreements are to be reviewed: Canada - Australia; Canada - The West Indies; Australia - New Zealand. New Zealand and the United Kingdom are also reviewing their trade agreement.

The Conference agreed that examination should take place under the relevant anti-dumping legislation, of cases where it is alleged that dumped or subsidized goods are damaging the interests of Commonwealth suppliers.

The Conference agreed that full use should be made of trade missions, trade fairs, and other promotional activities for the expansion of intra-Commonwealth trade.

The Conference emphasized the need that a European Common Market and European Free Trade Area should be outward-looking in the interests of an expanding world trade and world economy.

Commonwealth countries agreed that subject to the provisions of international agreements they should endeavour, as soon as possible, to remove discrimination in trade in the form of quantitative restrictions between themselves

and refrain from introducing measures of discrimination between Commonwealth sources of supply unless this is necessary for balance of payments reasons.

The Conference recognized how important it is that obstacles should not be placed in the way of the export of manufactured goods of the under-developed members of the Commonwealth, and agreed that Commonwealth Governments will give full weight to this consideration whenever decisions are necessary concerning the terms of access of such goods to their markets.

Views were exchanged on the various aspects of the new situation created by the more active participation of a number of the Sino-Soviet Group of Countries in world markets.

COMMODITY PROBLEMS AND AGRICULTURE

The Conference recognized the serious problems caused by the prevalence of wide fluctuations in commodity prices and the need for remedial action. To this end, Commonwealth countries agreed to participate in a commodity by commodity examination of the situation.

It was proposed that an international study group should be established without delay to examine the current trade problems relating to lead and zinc.

The Conference expressed concern that the International Tin Agreement should survive and succeed, and agreed that Commonwealth countries should consult together, as necessary, about any appropriate measures to strengthen it.

The Canadian and Australian Governments were pleased to note the intention of the United Kingdom to participate in the preparatory discussions for a new International Wheat Agreement.

The Conference on the need for measures to mitigate the adverse effects of protection afforded to basic agricultural commodities and minerals.

The Conference agreed that care has to be taken in the disposal of surpluses on world markets at non-commercial terms so as not to cause harm to the interests of traditional suppliers. Non-commercial disposal can help to improve the living standards of the less-developed countries. However, such transactions call for adequate consultations so that the interests of all parties may be safeguarded as much as possible.

FINANCE

The Conference recognized the vital role of sterling in financing the flow of world trade. It was essential to the stability and progress of the whole world trading community that sterling remain strong.

It remained the agreed objective that sterling should be made convertible as soon as the necessary conditions had been achieved.

Agreement was reached on the desirability of expanding the resources of the Inter-

national Monetary Fund and the International Bank for Reconstruction and Development. The Conference welcomed the initiative of President Eisenhower in this regard.

The Conference discussed the possibility of establishing a new Commonwealth financial institution and agreed that further studies should be undertaken to consider methods of mobilizing resources for Commonwealth development.

DEVELOPMENT

The Conference stressed the great importance of more rapid economic progress in the less-developed countries.

All countries undertook to co-operate in this urgent task. This would require more capital, both public and private, more technical assistance, better opportunities for education, and increased opportunities for trade.

The United Kingdom announced its intention to make Commonwealth Assistance Loans from Exchequer funds. The loans to independent Commonwealth countries will be made under the Export Guarantees Act and those to Colonial Territories under the Colonial Development and Welfare Acts. Offers of Commonwealth Assistance loans already made total over £ 50 million.

The Conference favoured an expansion of the resources and activities of the Commonwealth Development Finance and activities of the Commonwealth Development Finance Company, and a number of Delegations expressed the willingness of their Governments to contribute to the capital of the company.

The value of the Colombo Plan in promoting economic development was recognized by all.

Canada announced an increase from \$35 million to \$50 million in its annual contribution to the Colombo Plan over the next 3 years. For the Commonwealth areas in Africa, Canada stated it would provide an initial sum of \$500 thousand for technical assistance. In addition, Canada indicated that it will continue to provide substantial sums to less-developed countries in the form of loans and grants for Canadian wheat and flour. The Conference noted Canada's announcement of a \$10 million programme of assistance to The West Indies over the next 5 years including the provision of two ships for inter-island service.

The Conference agreed that all possible steps should be taken to encourage participation by private capital in the economic growth of under-developed countries.

EDUCATION

The Conference agreed that expansion of education and training within the Commonwealth is an essential condition of economic development.

It was agreed in principle that a new scheme - additional to existing programmes - of annual awards of scholarships and fellowships would be established. Under this scheme

TORIES WIN BY-ELECTIONS

The Progressive Conservatives have won fresh triumphs. The traditional Conservative stronghold of Grenville-Dundas was won in September 29th's by-election by Mrs. Jean Casselman, 38, widow of the late A. Clair Casselman, M.P. for Grenville-Dundas, and daughter of the Hon. Earl Rowe of Dufferin-Simcoe. She becomes the third woman member of the present House.

Louis Fortin, 37, a Quebec City lawyer, captured Montmagny-l'Islet on his second try, snatching a seat that had been Liberal since its formation 25 years ago.

The voting restored the Government's record 208 Commons seats gained in the March 31 general election. The standing now is: Conservative 208, Liberal 48, CCF 8, vacant 1, total 265. Manitoba Springfield was left vacant by the death last week of the Progressive Conservative member, Val Yacula.

COLOMBO PLAN TRAINEE

The 1,000th person to receive technical training in Canada under the Colombo Plan, Mr. Mohammad Saeed, arrived in Ottawa on September 29, by air from Pakistan. The Acting Prime Minister presented him with a scroll commemorating the occasion.

Canada accepted its first Colombo Plan trainees in 1951. From a small beginning the programme has grown until now over 200 people are trained here each year. In addition to training facilities offered through the Colombo Plan, Canada has just started parallel programmes for Ghana and the West Indies and accepts people sponsored by United Nations and other international agencies and by other governments. Altogether, a total of about 1,700 trainees have come to Canada. These people have studied in a wide range of fields, most of them associated with the economic and technical development of their own countries.

TRADE MISSION

Mr. Gordon Churchill, Minister of Trade and Commerce headed a grain mission to the United Kingdom and Europe where he will meet members of the grain trade and milling interests, and discuss the possibilities of increasing sales in the countries concerned.

Mr. Churchill expected to be in London on October 7 and 8; in the Hague and Rotterdam on October 9; in Brussels on October 10, 11 and 12; in Bonn on October 13 and 14; in Hamburg on October 15; and on October 16 he will go to Geneva for three days to attend sessions of the General Agreement on Tariffs and Trade. He hoped to meet members of the grain trade in Switzerland.

"This mission to Europe is a further indication of the Government's determination to increase exports of Canadian grain and flour", said Mr. Churchill. "Our aim is to regain our fair share of world trade in wheat and flour, and Europe accounts for a high percentage of that trade".

CANADA HOUSE OPENED

The simultaneous hoisting of the Stars and Stripes and the Canadian Red Ensign, and Mayor Wagner's official proclamation of October 1 as "Canada Welcome Day" marked the formal opening of Canada House at 680 Fifth Avenue, in New York City.

The 26-story building houses the Canadian Consulate General, the National Film Board, Trans-Canada Air Lines, and the Canadian Government Travel Bureau, as well as private organizations both Canadian and otherwise. Nearly 75 per cent of the building is already rented.

SOUTH SASKATCHEWAN DAM

The recent signing of the agreement between the provincial and federal governments to construct the South Saskatchewan dam brings to fulfilment dreams which have been held since the first explorations of the western prairies, according to the "Saskatchewan News".

Early explorers envisaged a dam on the South Saskatchewan River to divert its waters down the Qu'Appelle Valley, thereby creating a navigable waterway west from Winnipeg. The pioneers and their descendants saw it as a means of stabilizing the agriculture of the region by preventing the disastrous droughts which have afflicted the area from time to time. Through the years studies made by engineers and economists have indicated that the construction of a dam will provide enough water to irrigate some half a million acres of land, enabling it to produce such cash crops as alfalfa and a wide variety of vegetables, and to support large herds of cattle. The dam will also generate hydro-electric power which will have a profound effect on the further industrialization of the settled area of the province.

TWO DAMS

The South Saskatchewan project centers around the construction of two dams. The main dam, 205 feet high and 16,700 feet across, will be located approximately where Coteau Creek enters the South Saskatchewan, about 18 miles upstream from the Town of Outlook. The second dam, called Summit Dam, will be located across the Qu'Appelle Valley about 12 miles southeast of Elbow. Its purpose is to control the diversion of the water down the Qu'Appelle

system. The two dams will create a lake 135 miles long with an area of 116,000 acres and a shoreline some 500 miles long.

Dam construction will be carried out by the Prairie Farm Rehabilitation Administration and is expected to take six to eight years to complete. But this is only part of the construction process. For the Province, the Saskatchewan Power Corporation will undertake the construction of the hydro plant. The first state, which will be capable of producing 150,000 kw of electrical energy, will be "on line" at the time the main dam is completed. All irrigation works are to be built under the supervision of the Saskatchewan Department of Agriculture, with the first phase of some 50,000 acres to be completed about the time the reservoir is filled. This is one-tenth of the total irrigation potential -- a potential which will probably take some forty years to realize.

ECONOMY STEADY

In the keynote speech to the annual conference of the Provincial Government's Trade and Industry Council at Montebello, Quebec, Mr. John H. English, Deputy Minister of Trade and Commerce, said on September 29 that Canada's exports to date have shown strong resistance to the downward tendencies in world trade at large. There has been a more than two-fold increase in one of Canada's new exports - uranium. Aircraft and farm implements had been sold abroad in substantially larger amounts, while wheat sales were doing reasonably well and there had been increased shipments of beef cattle to the United States.

Mr. English referred to a number of other factors which were contributing to the generally firm trend of the domestic economy. Housing projects and the construction of public works, not only by the Federal Government but by the provinces and municipalities, had helped to counterbalance the decline in business investment. The rising trend of personal incomes and the sustained volume of consumer spending had been other steadying influences.

Commenting on the effect of the soft market situation in Canadian industry, Mr. English drew attention to the fact that shipments had not declined as much as imports. Evidently many Canadian industries were successfully weathering the competition from imports. Operations in the iron and steel industry, for instance, had at no time fallen below 72 per cent of capacity.

Looking to the future, Mr. English said that recovery in the United States would help to spark growth in other parts of the world. The construction programme and the strength of the consumer market pointed, he thought, to stronger growth trends in the Canadian economy, although there might not be outward evidence of improvement during the coming winter.

In dealing with Canada's foreign trade position, Mr. English pointed out that, although the merchandise deficit had declined from \$600 million in the first seven months of 1957 to \$200 million in the same period this year, the overall imbalance on current account remained substantial. However, he considered it was reasonable to expect this gap, amounting to \$600 million in the first half of 1958, would in the course of time be covered by additional production in Canada either for export or to replace goods now imported. He called on those connected with industrial development work to "make a more systematic and concerted effort to emphasize to foreign firms exporting to Canada the advantages of establishing manufacturing facilities in this country".

ARCHITECTURAL AWARD

The international architectural competition for the new Toronto City Hall has been won by the Finnish designer Viljo Rewell. By a majority vote of 3-2, the Finn will receive the first prize of \$25,000 and a 6 per cent commission which, it is estimated, will exceed \$1,000,000.

WORKING CONDITIONS

The Department of Labour's annual *Survey of Working Conditions* for 1958 shows progressively better conditions for employees in the manufacturing industries. The percentage of these employees who enjoy a five day week had risen by April 1958, to 88.3 per cent, as compared with 85.5 per cent in 1956, and 82.5 per cent in 1954.

The number of plant workers on a 40-hour week has steadily increased, reaching more than 70 per cent of workers covered by the survey. In 1954 only about half of the workers covered were on a 40-hour week.

A two week's holiday with pay now reaches 95 per cent of employees in the manufacturing industries. Although this percentage has not increased from the previous year, the eligibility requirements have been reduced. For example, the proportion of employees qualifying for this holiday after one year's service, or less, rose from under 18 per cent in 1957, to about 23 per cent in April 1958. There was also a reduction in the number of employees requiring three years' or more service to qualify.

Group life insurance was available to almost 90 per cent of manufacturing workers in 1958. This compared with 86.8 per cent in 1956 and 83.4 per cent in 1954. Pension plans were available to 63.6 per cent in 1958 compared with 64.7 per cent in 1956 and 59.3 per cent in 1954.

There was a noticeable increase in the provision of paid statutory holidays.

THE PRIME MINISTER'S TOUR

The following plans have been announced for the United Kingdom and continental portion of the Prime Minister's European and Commonwealth tour.

Mr. and Mrs. Diefenbaker and their party will arrive in London by RCAF C-5 aircraft on the morning of Thursday, October 30. The Prime Minister will meet later that day with Prime Minister Macmillan, and expects to have talks with him and the Secretary of State for Commonwealth Relations and other Cabinet Ministers on Thursday and Friday. Mr. and Mrs. Diefenbaker will have dinner at No. 10 Downing Street on the evening of their arrival.

Mr. and Mrs. Diefenbaker hope to spend the weekend privately in Scotland, visiting Edinburgh and Kildonan, in Sutherland, from where Mr. Diefenbaker's great-grandparents came to Canada, and will return to London on Monday, November 3. Mr. Diefenbaker will be the guest of honour at a luncheon given by the Lord Mayor of London at the Mansion House on Monday, and the Canadian High Commissioner and Mrs. Drew will give a dinner for the Prime Minister and Mrs. Diefenbaker that evening.

Mr. Diefenbaker will have further talks with United Kingdom leaders Tuesday morning. He and Mrs. Diefenbaker will be received at lunch by Her Majesty the Queen and His Royal Highness the Duke of Edinburgh at Buckingham Palace on Tuesday. That evening, Mr. Diefenbaker will address a meeting of the Commonwealth and Empire Industries Association at the Royal Albert Hall. Prime Minister Macmillan and Opposition Leader Gaitskell will be among the guests present.

On Wednesday morning, November 5, Mr. and Mrs. Diefenbaker and their party will leave for Paris where they will spend that day and where the Prime Minister will meet President de Gaulle.

The Prime Minister and his party will spend November 6 with the RCAF in France.

On the invitation of the Federal German Government, Mr. and Mrs. Diefenbaker will go to Bonn on November 7, to return on behalf of The Government of Canada, the visit paid to this country last May and June, of President Heuss. While in Bonn, the Prime Minister will have talks with Chancellor Adenauer and other German leaders.

On November 10, the Prime Minister will visit the Canadian Infantry Brigade at Soest, Germany, and it is expected he will observe Remembrance Day with the Canadian Forces in Europe before flying to Rome on the afternoon of November 11.

In Rome, the Prime Minister will meet the Italian Prime Minister, Mr. Fanfani.

Mr. and Mrs. Diefenbaker will leave Rome on the evening of November 12 for Karachi.

NEW GERMAN AMBASSADOR

The Department of External Affairs announced on September 25 that His Excellency Dr. Herbert Siegfried presented to the Deputy Governor-General, the Honourable Robert Taschereau, Justice of the Supreme Court of Canada, his Letter of Credence as Ambassador extraordinary and plenipotentiary of the Federal Republic of Germany to Canada. The ceremony took place at the Supreme Court of Canada.

UNESCO DELEGATION

The Department of External Affairs has announced the composition of the Canadian Delegation to the tenth session of the general conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) which will be held at the headquarters of the organization in Paris from November 4 to December 5, 1958.

The Chairman of the Delegation will be Dr. N.A.M. Mackenzie, President of the Canadian National Commission for UNESCO, member of the Canada Council and President of the University of British Columbia. The Vice-Chairman and Principal Adviser will be Mr. E.B. Rogers, Canadian Ambassador to Turkey. The other members of the Delegation are:

- Delegates-
 - Mr. R.J. McCleave, M.P. for Halifax.
 - Mr. E. Morissette, M.P. for Rimouski.
 - Dr. W.H. Swift, Deputy Minister of Education for Alberta and representative of the Canadian Education Association on the Canadian National Commission.

- Alternates-
 - Dr. P.H. Brieger, Professor and Head of the Department of Arts and Archaeology, University of Toronto
 - Dr. Pierre Gendron, Dean of Sciences, University of Ottawa; member of governing body of the National Research Council; representative on the National Commission of L'Association Canadienne-Francaise pour l'avancement des sciences.
 - Mr. K. Kaplansky, Director of International Affairs, Canadian Labour Congress.
 - Mr. Marcel Ouimet, Canadian Broadcasting Corporation.
 - Dr. Aileen Ross, Assistant Professor of Sociology, McGill University.

- Advisers-
 - Mr. Eugène Bussière, Secretary of the Canadian National Commission for UNESCO and Associate Director of the Canada Council.
 - Dr. E.F. Sheffield, Chairman, Programme Committee, Canadian National Commission for UNESCO and Research Officer, National Conference of Canadian Universities

COMMONWEALTH TRADE AND ECONOMIC
CONFERENCE

(Continued from P. 2)

1,000 Commonwealth scholars and fellows will be studying in other Commonwealth countries at any one time. The United Kingdom undertook to assume responsibility for half the programme and Canada assumed responsibility for a further 25 per cent. The details of this scheme will be worked out at a special Commonwealth educational conference to be held early next year in London, which will also consider what might be done to expand and improve mutual assistance in this field between Commonwealth countries with special reference to the supply and training of teachers.

Australia announced an increase of 150 in the number of places it is making available for education and training under the Colombo Plan.

All countries recognized the importance of reliable communications in strengthening the Commonwealth.

It was agreed in principle to construct a Commonwealth coaxial cable which would provide the first round-the-world telephone service. It was expected that this system would be completed in stages over some ten years.

The Conference acknowledged the value of existing arrangements for economic consultation and agreed to co-ordinate these under the name of Commonwealth Economic Consultative Council. The Conference welcomed the generous offer made by the United Kingdom Government to provide a Commonwealth House in London to be available for the constituent bodies of the Council and for other Commonwealth meetings.

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HMCS ST. CROIX COMMISSIONED

Mr. Paul Comtois, Minister of Mines and Technical Surveys, was guest of honour at the commissioning of HMCS St. Croix at Sorel, Quebec on October 4. The St. Croix is the second of the Royal Canadian Navy's Restigouche class destroyer escorts to go into service and follows HMCS Restigouche, prototype of the class, which was commissioned at Montreal on June 7. Both ships are improved versions of the St. Laurent class of which seven are now in service.

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CBC REPORT

The annual report of the Canadian Broadcasting Corporation, just released, discloses some interesting facts.

Television, which was first brought to Canadians in the autumn of 1952, is now used by an estimated number of more than three million households - 71 per cent of the population.

The establishment, on the recommendation of the Board of Governors, of six new privately-

owned stations during the year raised coverage to the point that about 82 per cent of the population was within reach of good television service. At the end of the year, 39 stations, including 6 CBC and 31 privately-owned, were carrying English language service, and seven stations, two CBC and five privately-owned, were carrying French language service to the different areas of the country.

Direct microwave connections were established during the year to stations in the Maritime provinces, and the connection to Winnipeg was extended through the Prairie Provinces. CBC and private stations in these regions began to receive for the first time, live simultaneous national service, largely replacing the previous method of supply through telecordings and film.

The Canadian proportion in English network programming was maintained at more than 55 per cent of the schedule during 1957-58 and audiences showed a growing acceptance of Canadian programmes.

While Toronto and Montreal remained the main production centres, other centres, notably Vancouver and the Maritimes Region, contributed important items.

Eighteen half-hour dramas were sold to the British Broadcasting Corporation, nine of them being part of a contract for 26 shows to be completed this year. The BBC also bought nine one hour and one hour-and-a-half plays. The Australian Broadcasting Commission purchased fourteen half-hour dramas. Punch called Arthur Hailey's new play "Seeds of Power", "this Canadian TV spellbinder".

The French television network this year extended to seven of Canada's 46 stations and served more than 85 per cent of the French-speaking population. Since relatively few programmes in the French language are available for import, most of the programmes must be produced in Canada and CBC Montreal has become the largest French language TV production centre in the world.

Despite the sustained rise of interest in television, the Canadian public continued to be keen radio listeners, as indicated by the increased sale of radios. The Corporation took care to adjust its radio programmes to television viewing.

A new series, University of the Air, marked CBC's first venture into formal adult education at the university level. Mail response was encouraging. The use of the Trans-Atlantic cable underlined the new flexibility of radio in bringing together listeners and events in all parts of the world.

The Corporation continued to meet its particular challenge: great distances and relatively small population; two services in two languages, and competition from imported programmes available at a fraction of the cost of the home productions.