



CANADA

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CANADIAN NATIONAL RAILWAYS IN 1963

The annual report of Canadian National Railways for 1963, which was tabled in the House of Commons on April 7, noted that the company had done more business in 1963 than ever before, its gross sales reaching \$800 million. However, the report went on, while controllable expenses had been held firmly in line, the net income of \$21.2 million had fallen short by \$43 million of meeting the interest charges on outstanding debt.

The report stated that, in many respects, 1963 had been an "exceptional" year. A buoyant economy, coupled with an unusually high demand for transportation services, had resulted in the second highest volume of revenue ton miles in CN's history, slightly behind that for 1956. The 1963 traffic, however, was handled with 13,000 fewer pieces of freight equipment than were required in 1956, mainly because of improved techniques for car use and distribution. While the freight work-load increased 10.3 per cent over 1962, railway-operating expenses rose only by 1.8 per cent.

The report regarded these accomplishments as significant indicators of improved sales effort and operating efficiency but noted that they were not apparent in the "on-paper" financial result.

DEBT CHARGES

Referring to the interest charges on debt, the report said that "most of this debt can be identified as a legacy from the past through a deficiency in depreciation practices which restricted the Company's ability to finance capital expenditures from internal

sources". It said the basic principle of the capital-revision proposals Canadian National had made to the Government "is that the Railway be relieved of the crushing burden of debt charges which make the annual profit and loss account such an inaccurate reflection of management and employee efficiency. Canadian National is a valuable national asset and occupies a prime and unique role in the life of Canada. Its objective of providing an efficient and economic transportation system can be fulfilled more satisfactorily if the accounts are placed on a basis that will reflect the true story of current operations, so that the annual results do not need qualification and explanation in respect of the past".

REVENUES FROM ALL SOURCES

The report said that net railway-operating income of \$5 million, together with net income from hotels, telecommunications and separately-operated trucking companies, had produced a net income of \$21.2 million. The result was an improvement of \$5.9 million over the 1962 figure, and an improvement of \$5.3 million over that forecast in the system operating budget.

Railway-operating revenues were up \$23.6 million, to \$725.2 million, while railway-operating expenses were \$12.8 million higher than in 1962, mainly as the result of increased wage, pension and depreciation charges, higher taxes and material prices.

Revenues from freight services totalled \$573.5 million over those of the year before, owing mainly to new movements of potash, export grain shipments and increased movement of automobiles and parts.

(Over)

On export grain shipments, the report noted that the company had hauled 169 million bushels since the start of the crop year in August, and said that it had met the requirements of the Canadian Wheat Board "efficiently and expeditiously" in the national interest.

Revenues from passenger services continued the trend of 1962, when a prolonged decline in revenues was halted. Passenger-services revenues in 1963 totalled \$44.4 million, an increase of \$400,000 over those of the previous year. The improvement was achieved despite a 6 percent reduction in passenger-train miles operated.

Net income from CN telecommunications services was \$5.4 million, with higher revenues recorded in telex, telephone and leased wire services.

The report also noted a net operating profit of \$1.3 million for the system's eight separately-operated trucking companies and two associated terminal companies. Net income from hotels was \$1.4 million.

FREIGHT AND PASSENGER SERVICES

The high volume of freight business during the year represented "concrete rewards from long-range sales-development programmes that have been implemented", the report said. One of these was the Customer Research Service, which makes the various technical and research groups of the railway available to customers for the solution of transportation problems.

For the third consecutive year, a new fast freight train had been put into service to improve schedules between the Eastern and Western provinces. Revenues of "piggyback" services went up by 6.3 per cent; among the new items of freight equipment ordered were 55 tri-level automobile transporters, 100 covered aluminum hopper cars and 100 additional 70-ton flat-cars.

In passenger service, the economical Red, White and Blue fare plan was extended to most parts of Canada after a one-year trial between points in Quebec and the Maritime Provinces had indicated that business could be substantially increased through this form of pricing. The report said travel features introduced during 1963 had included charter coaches and sleepers for groups and "Car-go-Rail" service that enabled passengers' automobiles to be transported in conjunction with their rail trips.

Construction moved ahead on the Great Slave Lake Railway, which will extend 377 miles from Roma, Alberta, to Hay River in the Northwest Territories, with an additional 53-mile branch line to Pine Point Mines. By the year's end, 226 miles of track had been completed. Three other branch lines were completed in 1963 to serve the mining industry in isolated areas of northern Quebec and Manitoba, and in New Brunswick.

TELECOMMUNICATION SERVICES

The new microwave systems were completed in 1963. The larger was the Montreal-Vancouver link, built jointly with the Canadian Pacific Railway. With the existing facilities east of Montreal, the new system forms a transcontinental trunk route

serving major centres across Canada. The second microwave facility, a tropospheric scatterwave radio system, reaches from Hay River, to Lady Franklin Point on Victoria Island in the Arctic, a distance of 554 miles.

EXPERIMENTAL SAWMILL

Mr. Maurice Sauvé, the federal Minister of Forestry, recently announced that tenders were being called for the construction of a research sawmill at his Department's Petawawa Forest Experiment Station, Chalk River, Ontario. This establishment will facilitate production studies under controlled operating conditions, substantially furthering the sawmill-research programme of the Department's forest-products research branch. Such production studies are not practical in commercial sawmills because of variables in operating conditions. The development of improved sawmilling methods is an important and continuing phase of forest-products research.

ADDED BENEFITS

The Petawawa mill will enable the Department to further its research on lumber seasoning. It will also be a great asset to the silviculture and woods-management researchers at the Petawawa Forest Experiment Station, where intensive forest research has been in progress for the past 45 years. The mill will help these experts assess the effects of pruning, stand density, soil conditions and other factors on lumber quality and yield.

The new sawmill, designed by property-management officials of the Forestry Department in co-operation with the research personnel concerned, will be situated on the shore of Thomas Lake, one mile from the Experiment Station's headquarters. Measuring 60' x 136', it will be of frame construction on a reinforced-concrete foundation, with a 60-foot-span, glued-laminated superstructure. The exterior facing will be of plywood, with interior walls finished in plywood and chipboard panelling.

NATO SCIENCE AWARDS

The National Research Council of Canada has awarded 26 NATO science scholarships and fellowships for 1964-65, with a total value of \$108,000. These awards, for study abroad in various fields of pure and applied science, are designed to stimulate the exchange of postgraduate students among member countries of NATO. They represent Canada's part in NATO's Science Fellowship Programme.

During the coming year, 11 NATO postgraduate scholarships valued at \$3,000 each will be held, six in Britain and five in the United States.

Fifteen NATO postdoctorate fellowships, valued at \$4,000 for single and \$5,000 for married fellows, will be held as follows: three each in Britain, France, and the United States; two each in Denmark and Germany; and one each in the Netherlands and Norway.

CHILDREN TO VISIT EXPO '67

Plans for an ambitious programme of child participation in EXPO '67 were revealed recently at a press conference of the Service Clubs Children's Advisory Committee, held at the headquarters of the Canadian Corporation for the 1967 World Exhibition in Place Ville Marie, Montreal. Representatives of B'Nai Brith, Civitan, and the Kinsmen, Kiwanis, Lions, Optimists, Richelieu, and Rotary Clubs were welcomed by the Deputy Commissioner-General, R.F. Shaw, who praised their collaboration as important evidence of the all-Canadian effort the 1967 World Exhibition was calling forth.

PROJECTS, PROGRAMMES AND PLANS

A report on plans that had been developed to date was given by Philippe de Gaspé Beaubien, Director of Operations for EXPO '67. These involve not only specific projects and programmes to be developed for the Exhibition, but also plans for bringing children between the ages of five and fifteen to the Fair. A seven-point programme was outlined:

- (1) to organize local children's group visits to the Exhibition ("local" means groups within 100-mile radius of Montreal);
- (2) to interest out-of-town clubs from all parts of the world in choosing and sending children to the Exhibition;
- (3) to arrange for and provide accommodations and billeting for children, particularly those sent to the Exhibition by out-of-town clubs;
- (4) to help organize and direct "on-site" tours, etc, for the visiting children;
- (5) to assist with suggestions for entertainment of specific interest to this age group and promote the educational aspect of this event;
- (6) to publicize, through children's correspondence, club media, service-club gatherings and conventions, information on EXPO '67 and the activities of the Service Clubs Children's Advisory Committee;
- (7) to encourage and assist children and club members "en famille" to take cross-Canada tours en route to or after visiting the EXPO.

AIR TROPHY TO AVIATION MUSEUM

It was recently announced by the Royal Canadian Air Force that the Trans-Canada (McKee) Trophy had been entrusted to the custody of the National Aviation Museum, Ottawa, and placed on public display at the Uplands Air Terminal. The trophy, presented annually for the most outstanding contribution to the advancement of Canadian aviation, was turned over to the Museum by Mr. Lucien Cardin, Associate Minister of National Defence. Receiving the trophy was Dr. John B. Stewart, Parliamentary Secretary to the Secretary of State, whose department administers the Museum.

The most recent winner of the McKee Trophy was Mr. Frank A. MacDougall, Deputy Minister of Lands and Forests for Ontario, who received the 1963 award in recognition of his work in aviation during the previous 40 years.

The trophy was donated in 1927 by J. Dalzell McKee, a wealthy American pilot who made the first Trans-Canada flight by seaplane in 1926. Mr. McKee established the trophy in appreciation of the assistance and hospitality afforded him by the RCAF and Canadian civilians.

FITNESS SCHOLARSHIPS AND FELLOWSHIPS AWARDED

The awarding of 108 post-graduate scholarships and fellowships under Canada's Fitness and Amateur Sport Act was announced recently by Miss Judy LaMarsh, Minister of National Health and Welfare. The scholarships, which have a total value of some \$200,000, will enable young Canadians to pursue advanced studies in areas related to fitness.

Recommendations for awards were made to the Minister by the National Advisory Council on Fitness and Amateur Sport. Scholarships are available to persons already holding a bachelor's degree who are proceeding to the master's or doctorate level in physical education, recreation, or an allied field.

The amount of an award for summer study varies according to the length of the course. For a full academic year, a maximum of \$2,000 may be provided. Many students are also eligible for travel allowances.

NEW HOME FOR EXTERNAL AFFAIRS

Mr. Jean-Paul Deschatelets, Minister of Public Works, recently elaborated on the Government's plans for a new External Affairs headquarters building in Ottawa.

A joint committee of senior public Works and External Affairs officials, headed by Mr. Marcel Cadieux, Acting Under-Secretary of State for External Affairs, is now engaged in a detailed study of requirements for the new building. The Committee also includes senior architects of the Department of Public Works to provide expert advice.

The new headquarters, valued at approximately \$10 million, is to be located at the junction of Sussex Drive and Boteler Street at the southern approaches to the Macdonald-Cartier Bridge, now under construction. Mr. Deschatelets noted that the National Capital Commission had approved the choice of the site.

PRESTIGE EDIFICE

While the exact size and design of the building has not yet been determined, it will be a "prestige" building and will provide one of the major focal points of interest in the development of the National Capital Plan. Consideration is being given to the provision of special areas in the building that would be available to the Government for representational, conference and public-information purposes. The Joint Committee's recommendations regarding size, cost and other details, will be subject to the approval of the Treasury Board.

The target date for completion of the building is Canada's centennial year, 1967.

MACDONNELL TO DJAKARTA

The Secretary of State for External Affairs has announced the appointment of Mr. R.M. Macdonnell as Canadian Ambassador to Indonesia. Mr. Macdonnell succeeds Mr. J.P. Sigvaldason, recently appointed Ambassador to Norway and Iceland. He will take up his duties in Djakarta early in October.

Mr. Macdonnell, who was born in Vernon, British Columbia, in May 1909 and studied at the Universities of Manitoba and Oxford, joined the Department of External Affairs in 1934. He served in Washington and Kuibyshev, returning to Ottawa in 1943, where he was External Affairs member of the Permanent Joint Board on Defence until 1947. Mr. Macdonnell was Chargé d'Affaires a.i. of the Canadian Legation in Prague from 1947 to 1949, and in 1950 was appointed Minister at the Canadian Embassy in Paris. In 1952 he returned to Ottawa to become an Assistant Under-Secretary of State for External Affairs.

In 1954, Mr. Macdonnell was appointed Canadian Commissioner on the International Commission for Supervision and Control in Cambodia, and served in an interim capacity as the first Canadian Commissioner in Vietnam. He was appointed Deputy Under-Secretary of State for External Affairs in 1955 and Ambassador to Egypt and Minister to Lebanon in 1957. Returning to Ottawa in 1958, Mr. Macdonnell served as Deputy Under-Secretary of State for External Affairs. In 1959 he accepted a five-year appointment as Secretary-General of the International Civil Aviation Organization in Montreal.

CANADA — U.S. TRAVEL

Vehicular traffic entering Canada from the United States in January increased 12.7 per cent, to 1,083,800 from 961,300 in January last year. Entries of foreign vehicles advanced 13.1 per cent in the month, to 456,400 from 403,600, and returning Canadian vehicles rose 12.5 per cent, to 627,400 from 557,700.

Persons entering Canada from the United States by plane, through bus, rail and boat, numbered 191,900 in January, a substantial (35.0 per cent) increase from last year's corresponding total of 142,100. The number of non-residents entering Canada by long-distance common carrier advanced by 40.7 per cent in the month, to 80,600 from 57,300 while the number of Canadians returning from the United States rose by 31.3 per cent, to 111,300 from 84,800.

MILITARY SCHOOLS GO BILINGUAL

Starting with the academic year 1965-66, all English-speaking cadets at Royal Military College of Canada, Kingston, Ontario, will be required, during their third year, to pass at least one course given in French. French-speaking cadets will be required to pass similar courses in English.

Since the founding of RMC in 1876, special attention has been given to the teaching of French. With the establishment of the Canadian Services Colleges after the Second World War, French was made a compulsory subject for all cadets in the first two years of the four-year university course.

LATEST TEACHING METHODS

The most up-to-date classroom and language-laboratory techniques are now employed at Canada's three military colleges. At Collège Militaire Royal de Saint-Jean, Saint-Jean, Quebec, French and English are used on alternate fortnights as the "language of the day". At Royal Roads, Victoria, British Columbia, there is a special "French table" at meal-time, and at Royal Military Collège there is a separate "French" dining room where only French is spoken.

During the third and fourth years at RMC, courses are provided in which English-speaking cadets spend a three-week period in Quebec City. There, under the direct supervision and instruction of the RMC French department, they are housed with French-speaking families, giving them the opportunity not only to improve their conversational French but to obtain an appreciation of French-Canadian culture by direct contact.

GOLD PRODUCTION

The production of gold declined 11.2 per cent in February, to 279,778 troy ounces from 315,012 in February last year, and 10.4 per cent in the January-February period, to 536,559 troy ounces from 654,881 a year ago. The month's output was smaller than a year earlier in all producing regions except the Atlantic Provinces, and was as follows: Atlantic Provinces, 666 troy ounces (607 in February 1963); Quebec, 56,020 (72,349); Ontario, 178,598 (188,113); Prairie Provinces, 7,906 (9,005); British Columbia, 9,199 (13,938); and the Yukon and Northwest Territories, 27,389 (31,000).