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THE QUEEN ARRIVES IN CANADA

Her Majesty the Queen and His Royal Highness the Prince Philip arrived at Torbay Airport, Newfoundland, on the afternoon of June 18 to begin their Canadian tour, which will take them to all parts of the country, including the Far North.

As the plane touched down, a 21-gun Royal salute was fired and the Royal standard was broken on an airport flagpole. When Her Majesty stepped from the plane the band of the Naval Guard of Honour played "God save the Queen".

The Queen and Prince Philip were welcomed by His Excellency, the Governor-General, Prime Minister Diefenbaker, Mr. Joseph Smallwood, the Premier of Newfoundland, Mr. C.L. Macpherson, Lieutenant-Governor of Newfoundland, and Mr. W.J. Browne, Minister without Portfolio and Newfoundland's representative in the Federal Cabinet. The Governor-General was accompanied by Mrs. Lionel Massey, the Prime Minister by Mrs. Diefenbaker. Mrs. Smallwood and Mrs. Browne were also present at the airport.

A drive over a ten-mile route was made to St. John's, where the Queen and His Royal Highness were the guests of the Lieutenant-Governor and Mrs. Macpherson at Government House. There a reception was held on the morning of June 19, after which a tour was made of the new Confederation Building. Later the Royal party flew to Gander where Her Majesty officially opened the new international Air Terminal.

In the afternoon Her Majesty and His Royal Highness visited various places in Newfoundland, including Deer Lake, Corner Brook and the Bowater Paper Mill, arriving in the evening at Strawberry Hill Lodge where they spent the night.

On Saturday morning a trip was made by air to Stephenville where the Queen and Prince Philip visited the Harnon Air Force Base. The Royal party then flew to Schefferville, Quebec, formerly known as Knob Lake. Here they were taken on a tour of one of the mines of the Iron Ore Company of Canada, in operation. Several hours were spent in this new town. Her Majesty presented Queen's badges to a group of Boy Scouts and called at a typical Schefferville home.

A flight was then made to Seven Islands, Quebec, the port on the lower St. Lawrence which is connected by rail with the iron ore country of Northern Quebec and Labrador. At the Iron Ore Company's pier Her Majesty and Prince Philip watched a ship being loaded with ore. Early in the evening they embarked on "the Britannia" which had been waiting for them.

"The Britannia" arrived on Sunday morning at the village of Gaspé, on the beautiful Gaspé peninsula. It was here in 1534 that Cartier planted a 30-foot cross and took possession of this new land in the name of the King of France. The Royal party visited the Jacques Cartier Memorial Cross at the foot of which Her Majesty laid flowers. The Queen and

Prince Philip then attended a service at St. Paul's Anglican Church after which "the Britannia" set sail for the Saguenay district.

Port Alfred on the Saguenay River was reached early in the afternoon of June 22. The Royal party went by car to Chicoutimi, long a centre of the lumber industry, and then to Arvida, where a tour was made of the aluminum plant. This plant was built in 1926 by the

Aluminum Company of Canada to utilize the vast hydro-electric resources of the Saguenay River and was, at that time, the world's largest aluminum smelter.

"The Britannia" sailed from Port Alfred early in the evening and docked on the morning of June 23 at Wolfe's Cove. That day was spent in Quebec City. The programme for the day in Quebec was in the Bulletin of June 3.

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THE MANUFACTURING INDUSTRY

Mid-way through the twentieth century Canada finds herself one of the great trading nations of the world, Mr. Gordon Churchill, Minister of Trade and Commerce, said at the eighty-eighth annual meeting of the Canadian Manufacturers' Association, on June 8 at St. Andrews-by-the-Sea, New Brunswick.

Mr. Churchill went on to say:

"Measured by income originating in manufacturing Canada ranks sixth among the countries of the world, being surpassed only by the United States, the U.S.S.R., the United Kingdom, West Germany and France, all of which have populations greatly in excess of ours. Manufacturing contributes more to the Canadian economy than any other Canadian industry in terms of employment, income, export trade and capital investment.

"According to the Dominion Bureau of Statistics, last year there were twice as many Canadians employed in manufacturing as in agriculture. Even more impressive is the figure which shows fifty per cent more people in manufacturing than in all the primary industries combined, that is, in agriculture, fishing and trapping, mining and quarrying and forestry operations. Many of those in the primary industries are dependent for their employment on the purchases of their goods and services by the manufacturers.

"In 1958 the domestic manufacturing industry provided jobs for one-quarter of Canada's workers, contributed about 28 per cent to the nation's gross domestic product, accounted for almost two-thirds of the country's commodity exports and was responsible for about one-eighth of the nation's total expenditures on new capital facilities.

DIFFICULTIES OF INDUSTRY

"However, the Canadian manufacturing industry has not achieved its present eminent position in our economy without encountering difficulties. In the main these problems appear to be rising costs of production, increased foreign competition at home and abroad, the need for larger markets and the lack of adequate financing for export sales.

"There is a belief in some quarters that rising costs are pricing Canadian manufactured goods out of world markets. This may be true in some particular fields but is not true as a

generality. Our export trade, which achieved a record in 1957, was maintained at practically the same dollar level in 1958 and with a slight increase in volume. For the first four months of 1959 our exports have approached the figures of the preceding year and with the renewed tempo of activity are likely to establish a new record by the year's end. Fully manufactured and partially manufactured articles which account for about 67 per cent of our export trade are continuing to maintain their position.

"I notice that your programme has provided for a discussion of this problem of costs and that your Association recognizes that there can be no sharp division between the management side and the labour side in this matter. There should be a clear understanding that our fortunes hinge upon keeping our economy competitive, for, with one out of every five Canadians dependent for livelihood on our export trade, we are all concerned.

"In foreign markets, opportunities open to Canadian manufacturers have been limited during the entire postwar period by a variety of factors beyond the control of our exporters. Continuing exchange difficulties have required foreign countries to restrict the import of dollar goods in an effort to conserve their exchange holdings and to protect the value of their currencies. Other factors that have placed Canadians at a disadvantage in world trade have been the arrangements by various nations of barter deals by state-trading agencies, more liberal export financing facilities, the extensive use of subsidies for exports, along with lower labour rates and increased manufacturing activity.

"Foreign competition has been felt not only in the export field; the home market has also been affected. New modern plants built since the war, the use of the latest techniques resulting from intensive research, lower labour rates and large volume runs have enabled manufacturers in West Germany, the United Kingdom, The Netherlands and Japan to invade successfully the domestic markets of both Canada and the United States.

"This challenge of foreign competition has been met by a response by Canadian industry and government.

"The Canadian manufacturing industry has a well-merited reputation for being far sighted in its outlook. In addition to the creation of new capacity, plants have been improved, new equipment, much of it automatic, has been introduced and research has received increasing emphasis. These activities have caused a significant rise in productivity with a corresponding fall in unit costs of production. Very heavy capital expenditures over the last decade have equipped the Canadian manufacturing industry to compete effectively in world markets. That expenditure is estimated to have been \$10 billion, half of which has been spent in the last four years. Heavy electrical machinery and equipment is being sold abroad in substantial quantities and our trade continues to reach well over one hundred foreign countries.

EXPORT TRADE

"The evidence is to be seen in the volume and the nature of our export trade. In 1958 fully or partially manufactured articles were sold abroad to the amount of \$3.2 billion. Recent sales of Canadian transport aircraft to the United States indicate success in that highly competitive field.

"The present Government has not been inactive in its desire to protect our manufacturing industry against unfair foreign trading practices and to promote the diversification of Canadian manufacturing as well as to assist our export trade. After careful consideration and full consultation with business and industry, the Canadian Government is proposing to provide new facilities which should enable Canadian exporters to compete on even terms with exporters from other countries, where they are competitive in other respects. The new powers proposed for the Export Credits Insurance Corporation are not as far reaching as some of the interested parties suggested, but they are considered appropriate to conditions in Canada at this time. Briefly, the proposal now before Parliament will amend the Export Credits Insurance Act to enable the Corporation, when authorized by the Governor-in-Council, to provide direct guarantees to lenders on approved export transactions. The amendment will also authorize the Corporation to buy, sell, and make loans on guaranteed export paper.

HOME MARKET

"In so far as the home market is concerned the Government has passed anti-dumping legislation designed to defend Canadian producers against certain foreign trade practices. The legislation provides that the value of imported goods for duty purposes shall not be less than the cost of production plus a reasonable allowance for selling cost and profit.

"The home market is vital for our manufacturers. It has always been and will remain

the most important for our industry. In 1958 manufactured goods purchased in Canada amounted in value to over 22 billion dollars. Of this total Canadian manufacturers supplied 81 per cent. The ability to supply such a large proportion of our domestic needs is of particular importance since the Canadian market is expanding more rapidly than that of any other industrialized country. By 1975 our population may reach 24 million and our gross national product is expected to exceed 53 billion dollars. In fifteen years the domestic market for Canadian manufactured articles will have almost doubled in volume and in value.

"In January I mentioned investment intentions of Canadian manufacturers and said at that time that these estimates which were based on a survey during the fall of 1958 were likely to be revised upward this year. This is proving to be correct. In response to better business conditions in Canada and abroad a new feeling of confidence is surging through the Canadian economy. Once again the tempo of new plant construction and the installation of new equipment is rising.

"The diversification of Canadian manufacturing is another field in which both industry and government have a part to play. Part of the emphasis that our Department is placing on investment in Canada is toward the development of manufacturing of lines not now produced in our country. Our imports of fully-manufactured articles exceed our exports by hundreds of millions of dollars annually. This is a fertile field for business enterprise and for national growth.

"Foreign investors are looking with increased interest to Canada. Information reaching me from our field men abroad and from foreign visitors indicates a keen awareness of the opportunities for successful investment, not only in established industries in Canada but in new enterprises. The Government will continue to stimulate the broadening of our industrial base.

"Government policy has been directed along several lines - the shielding of the domestic market against disastrous dumping practices, the sponsoring of trade missions abroad, the promotion of Commonwealth economic conferences, the steady development of our export trade by the maintenance of an active trade commissioner service in 45 foreign countries, the closest co-operation and consultation with our largest trading partner, the United States. These are the measures and the policy whose cumulative effect is evident in the maintenance of Canada's position as the fourth largest trading nation in the world. That position can be strengthened by continued effort and by close co-operation between government and business. The objective for both is the same - the development of Canada.

"The prospects for Canadian manufacturing in the future appear to be bright. One year ago the Prime Minister addressed your annual

(Over)

meeting. He mentioned the period of economic adjustment through which we were passing. He drew attention to the sharp economic set-back in the United States. He pointed out the adverse effects on Canada as a major world supplier of minerals and forest products. But he indicated his optimism based on the traditional enterprise of Canadian businessmen as a stabilizing factor and on the government measures aimed at stimulating the economy. His optimism of a year ago was fully justified. We are now viewing steadily rising economic activity in Canada, in the United States and throughout the world. We have seen our export trade make a good recovery during the last few months with a prospect now of establishing a record for the year. We are observing signs of increasing activity every month on the domestic scene...."

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CHEMICALS INDUSTRIES

Factory value of products shipped by Canada's chemicals and allied products industries reached a new peak in 1958, rising 8 per cent to \$1,300,797,000 from the preceding year's \$1,203,411,000, the Dominion Bureau of Statistics reports in an advance statement. Records were also set in the number of employees at 55,927 (54,708 in 1957), salaries and wages at \$238,978,000 (\$222,044,000), and cost of materials and supplies at \$594,375,000 (\$565,746,000).

Among the 14 individual industries comprising the chemicals and allied products group, largest proportionate increase in factory value of shipments (19.8 per cent) was recorded by heavy chemicals. Soaps and washing compounds was next with an increase of 11.0 per cent, medicinal and pharmaceutical preparations 10.1 per cent, polishes and dressings 9.3 per cent, paints and varnishes 9.0 per cent, adhesives 8.8 per cent, toilet preparations 7.7 per cent, fertilizers 7.6 per cent, primary plastics 7.5 per cent, compressed gases 7.4 per cent, and miscellaneous chemicals 1.0 per cent. Only three industries -- coal tar distillation, inks, and vegetable oils -- showed declines in the factory value of shipments as compared with 1957.

Factories located in Ontario accounted for well over one-half the national total in 1958 with factory shipments valued at \$761,060,000 versus \$702,384,000 in 1957, followed by Quebec with \$389,837,000 versus \$365,900,000, British Columbia (including the Northwest Territories) \$66,572,000 versus \$58,686,000, and Alberta \$48,514,000 versus \$42,956,000.

Imports by the chemicals and allied products group of industries were valued at \$290,400,000 in 1958 as compared with \$293,800,000 in the preceding year, and exports were valued at \$197,100,000 as compared with \$195,300,000.

ICAO MEETING

Brigadier C.S. Booth, Assistant Deputy Minister of the Department of Transport, is leading the ten-man delegation to the twelfth annual meeting of the International Civil Aviation Organization which opened in San Diego, California, on June 16, and will continue for a month.

The other members of the delegation are Mr. J.R. Belcher, senior Canadian Representative to ICAO; Dr. T.G. How, Mr. R.J. Crossley and Mr. P.K. Casey of the Department of Transport; Mr. A.S. McDonald, Mr. J.P. Houle and Mr. R. Azzie of the Air Transport Board; Mr. K. Maclellan of the Department of External Affairs, and Mr. R.C. Monk of the Department of Finance.

This is the first major assembly of ICAO to be held since the meeting in Caracas in 1956. A lengthy agenda will deal with the many problems associated with the development and growth of international aviation. The advent of jet aircraft will lead to a review of ICAO's policy and programme for the provision of air navigation facilities and services.

One of the major problems to be solved arises from the fact that many of the participating countries have neither the financial resources nor the technical personnel to provide the necessary facilities and services. A programme to reduce delays associated with customs, immigration and other regulations will also be considered.

Canada has been a member of the ICAO Council since its inception and will be a candidate for re-election. At the meeting, twenty-one members will be elected for another three-year term to the permanent Council which sits at the headquarters of ICAO in Montreal.

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SOCIAL CREDIT RETURNED

The Social Credit Government of Premier Manning was returned with a sweeping majority in Alberta's provincial election on June 18, with 56 per cent of the popular vote. The final results were: Social Credit 61, Liberals 1, Progressive-Conservatives 1, Coalition 1, Ind. Social Credit 1. The leaders of all the opposition parties were defeated.

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COUNTRY HOUSE FOR P.M.

A Bill was approved on June 16 in the House of Commons to establish Harrington Lake Lodge in the Gatineau Hills near Ottawa as an official country residence for Canadian prime ministers.

The property, which includes a spacious house and some 13 acres surrounding it, is in the heart of the 75,000 acre Gatineau National Park.

The house will be available for the use of the Prime Minister in the summer months and for entertaining distinguished visitors.

GROSS NATIONAL PRODUCT OF 1959

The recovery from the 1957-1958 recession which began to gain momentum in the latter part of 1958, lifted the gross national product (seasonally adjusted at annual rates) to a level of \$33.4 billion in the first quarter of 1959. This latest advance represents a gain of 2 per cent over the fourth quarter of the previous year. At annual rates, the gross national product in the first quarter was running at a level about 4 per cent above the average for the year 1958 as a whole.

The quarterly national income statistics at the present time do not permit precise comparisons of changes in the physical volume of the nation's output on a seasonally adjusted basis. However, it is clear from related information that the volume of non-agricultural output in the fourth quarter of 1958 had recovered to a point a little above the pre-recession peak; and with prices relatively stable, the 1959 first quarter advance represents, for the most part, a further volume gain above this previous high point.

Business inventory accumulation and consumer spending were the two major expansionary elements in the economy during the first quarter. The resumption of stockbuilding on a large scale was one of the notable developments of the quarter and followed a period during which heavy inventory liquidation had gradually given way to a more neutral position, with little change occurring in either direction. Consumer expenditure, which had shown some hesitation during part of 1958, rose further in the first quarter, continuing the advance which occurred in the final quarter of the preceding year.

Other major components of demand, seasonally adjusted, showed little change or were lower during the quarter. Outlays for new housing turned down, following eighteen months of continued advance. Both starts and completions were off in the quarter, reflecting a number of factors, among which were the severe winter weather, and the curtailment of Central Mortgage and Housing Corporation loans to builders at the end of 1958. Business plant and equipment expenditures were also lower than in the preceding quarter, but the decline here was very slight, amounting to only about 1 per cent. Exports of goods and services showed a small decline in the quarter following the fairly sharp rise which occurred in the final quarter of 1958. Imports of goods and services showed little change.

Turning to developments on the income side, both national and personal income, seasonally adjusted, advanced by between 2 per cent and 3 per cent from the fourth to the first quarter. A notable increase occurred in the labour income component of these two aggregates, which showed an advance of 3.5 per cent, the largest increase since early in 1956. This increase in labour income reflected the com-

bined effect of significantly higher levels of employment and a continued advance in average weekly earnings. Transfer payments to persons, an important component of personal income, declined by 5 per cent in the quarter, reflecting for the most part a drop in Unemployment Insurance payments.

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STUDENT AID

Only 35 per cent of university students in Canada receive assistance in the form of scholarships, bursaries or loans from government or other sources, as compared with 80 per cent in Great Britain, and over 50 per cent in Australia. This and other interesting facts and figures were given by Miss J. Rosemary Bushnell, Research Assistant at the Canadian Universities Foundation, Ottawa, in an address to the University Counselling and Placement Association, in Saskatoon.

The financial hurdle to university education is growing higher every year in Canada and it is generally recognized that if this country is to maintain her position among the nations of the world, the rate at which highly trained personnel can be produced will have to be increased.

STUDENT EXPENDITURES

A recent survey of student expenditures and income, published by the Dominion Bureau of Statistics (summarized in the Bulletin of May 13) found that in 1956-57 students living at home spent an average of \$936 for one year, while those away from home spent an average of \$1,293. Since then there has been a general increase in fees of approximately ten per cent and a rise of 5 points in the consumer price index. Therefore in 1958-59, the average cost of one year at a university might be estimated at \$1,036 for students living at home, and \$1,396 for those away from home. There is little doubt that these figures will be higher in 1959-60.

Lack of funds was responsible for 13.8 per cent of the students covered by the survey postponing their entrance to the university, for a further 2.6 per cent attending on a part-time basis, and for the withdrawal of 5.5 per cent. Much larger numbers are never able to consider higher education for financial reasons.

The Atkinson Study of Utilization of Student Resources in Ontario published in 1957, found that if scholarships or bursaries large enough to make the course financially possible were provided, 66 per cent of the Grade XIII pupils who did not intend to enter a university, would change their plans.

SOURCES OF INCOME

In the summer of 1956, 87.5 per cent of the students had jobs and saved an average of \$449. Forty per cent of undergraduate income

in 1956-57 came from summer earnings, 27.6 per cent from the family, 10 per cent from loans and 9.8 per cent from scholarships and bursaries.

FINANCIAL ASSISTANCE

In Canada governments are the major source of scholarships, bursaries and loans. The primary responsibility for ensuring that young people with the capacity for a university education are not barred for financial reasons rests with the provincial governments.

According to a survey made by the Department of Labour for the year 1956-57, Provincial Governments contributed \$2 million for scholarships, bursaries and fellowships, or 29 per cent of the total national expenditure. The Federal Government contributed 31 per cent and the remaining 40 per cent was made up of contributions by universities, industry, private individuals and from other sources.

Quebec contributed over \$1 million or 54 per cent of the total expenditure by all the provinces. Ontario contributed 25 per cent; the Western Provinces 15 per cent and the Maritime Provinces 5 per cent. Quebec granted 4,385 bursaries, Ontario 881, the Western provinces 789 and the Maritimes 244.

During 1956-57 the average value of undergraduate scholarships was \$330, while the average cost of a year at a university was \$1,200.

The total value of loans as part of the student aid programme is estimated at about \$2,125,000 annually, of which the Provincial Governments contribute 63 per cent and the Federal Government 3 per cent. The average annual value of loans to undergraduates in 1956-57 was between \$250 and \$260.

The most extensive scheme of student aid in Canada and that which most nearly approaches a national plan is the Dominion-Provincial Youth Training Programme, inaugurated in 1939. Eligibility for bursaries under this scheme is based on financial need and academic ability. Awards are available for study in any degree course except theology. Students may be given assistance to attend universities in other provinces or even in another country, should the course they select not be available at a university in their own province.

The plan is administered by provincial departments of education and details vary from province to province; some provinces give assistance as an outright grant and some on a loan basis. Applications are sent in by local Boards of Education and selection is made by a small committee composed of representatives of the Federal Department of Labour, the Provincial Department of Education and the universities. Awards may vary from \$25 to \$800, according to individual need; the national average is \$200. In no province does the average exceed \$500 a year.

The programme is based in theory on a 50-50 grant by the Federal and Provincial Govern-

ment. In fact, however, the contributions by some provinces have greatly exceeded the Federal contribution. For the current year the Federal appropriation for the Programme has been fixed at \$219,600 which amounts to only 18 per cent of the estimated expenditure. Provincial Governments have increased their expenditures for student substantially to meet the growing demand for this type of assistance.

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NEW BIRD SANCTUARIES

Two new Bird Sanctuaries have been established in arctic Canada.

The East Bay and Harry Gibbons Sanctuaries on the east and west coasts of Southampton Island in northern Hudson Bay have long been the nesting grounds of snow and blue geese, king eider, brant, and many other species of migrating water-fowl. The rare Ross' goose has been known to nest in the area. But with more people and aircraft in the North, the old days of isolation are going and it was felt that measures should be taken to protect the water-fowl.

The Harry Gibbons Bird Sanctuary (575 sq. miles) is on the west coast of Southampton Island at the delta of the Boas River. It is named in honour of Harry Gibbons, born at Wager Bay, son of a white father and an Eskimo mother. Mr. Gibbons, who died in 1954, was awarded the Coronation Medal for his services as guide and interpreter to many scientists working on Southampton Island. The Boas River goose colony has been studied more intensively than any other in the Canadian Arctic. Some 20,000 geese have been banded there since 1952.

The East Bay Sanctuary (450 sq. miles) on the east coast of Southampton Island is the most easily accessible of all goose colonies on Southampton Island and supplies most of the blue geese taken between Winisk and Cape Henrietta Maria, Ontario. It is also one of the main nesting areas for brant.

Southampton Island birds are an important source of food for Eskimos living on the west and south shores. When the hunting seasons open south of the Northwest Territories, and migration begins, the same bird populations provide sport for great numbers of hunters along the Atlantic, Mississippi and Central Flyways. About 90 per cent of the blue and snow geese that break their migration in the autumn between Cape Tatnam, Manitoba, and Sutton River, Ontario, are hatched on the Southampton Island nesting grounds.

Like the Dewey Soper Bird Sanctuary established two years ago on South Baffin Island, the new Harry Gibbons and East Bay refuges are supervised by the Canadian Wildlife Service. Many of the local Eskimos are - like the late Harry Gibbons - keenly interested in the bird life of their region and often supply valuable information to biologists working on Southampton Island.