



CANADA

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CANADA'S FINANCIAL POLICIES IN 1960

Addressing the Canadian Club of Toronto on January 9, the Minister of Finance, Mr. Fleming, reviewed the 1960 Canadian financial scene as follows in part:

"...A year ago I spoke of the growth in the Canadian economy and the financial strains which accompanied it. We looked forward to a year of continued and vigorous growth. It is a gratifying fact that the Canadian economy in 1960 achieved a level of activity higher than ever before in our history. Nevertheless, it did not fulfil all our hopes and expectations. The year witnessed changes in economic conditions at home and abroad which have lately required a readjustment in the direction of fiscal policy. This has been carried through in keeping with our flexible approach to fiscal problems and took precise form in the Supplementary Budget of December 20...

ECONOMIC REVIEW

"How did the change in the economic conditions in 1960 come about? Some of the causes originated in Canada; most of them originated abroad. I shall first speak of the latter.

"The most striking of the external features was the difference in outlook in the United States. A year ago the economic indices in that country portended steady growth. In fact, however, the economy of the United States has expanded very little since the beginning of 1960, and such expansion as did occur proved to be uneven. Our exports to the United States have actually declined slightly at a time when

our exports to all other countries were increasing by over 20 per cent.

"Since the early months of this year, there have been increasing signs of some easing in the rate of economic expansion in Europe. The situation varies from country to country. In the United Kingdom, which is by far the largest overseas market for Canadian goods, the level of industrial output has not increased since early summer. Moreover, it is not reasonable to expect the economies of the continental countries to maintain indefinitely their recent high rates of expansion. Developments in European trading arrangements undoubtedly pose problems for some quite important Canadian exports. While Canada's position in world trade remains strong and while I am not predicting any serious downturn in the United States, these trends have broad implications for Canadian demand, the more so when one considers the support rendered the Canadian economy by exports in 1960.

BASIC CHANGES

"Underlying these shorter-term developments are certain more basic changes. One is the downward drift of world commodity prices, reflecting a reduced demand for raw materials and the correspondingly increased importance of service industries. This circumstance has a direct bearing on Canadian conditions and employment. Another major alteration also relates to raw materials and manufactures.

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"During the postwar years and through most of the fifties, demand for products was high, productive facilities were strained, physical shortages were evident in many lines and demands on the labour force were indiscriminating. This era has been superseded by a period of sharp and vigorous competition, ample productive capacity (in some cases over-capacity), re-equipped plant and a selective attitude towards the labour market. These changes are perhaps the most pronounced in North America. In its expansion in recent years Canada has relied very heavily upon the development of its natural resources and export of basic materials.

ADJUSTMENT TO ECONOMY

"The Canadian economy underwent some adjustment in 1960 in reaction to the changed international environment. The Gross National Product for the first nine months of 1960 was 2.9 per cent above the same period in 1959 and averaged 2.2 per cent above the level of the preceding year as a whole. This compares with my budget forecast of last March 31 of about 6 per cent. I should add that a slight downward trend which developed in mid-year was reversed in the third quarter and preliminary indications for the final three months of 1960 confirm this 'firming-up'. While growth and expansion thus fell short of our expectations, the fact is the Canadian economy, after a long period of vigorous expansion, is continuing to operate at a very high level, and new records were achieved in 1960 in production and consumption, income, trade and employment. Personal incomes in 1960 rose in total by 3 per cent. Consumer purchases have risen. Industrial production has resumed a modest upward movement showing month-to-month gains in each of the last three months for which figures are available. Employment has averaged 1.7 per cent higher than in 1959 and 3.9 per cent higher than in 1957. Indeed, it is worthy of note that, from 1957 to 1960, employment in Canada has increased at a rate almost twice as fast as that in the United States. Business capital investment, while less than expected at the beginning of the year, remained at a high level.

"A leading element of underlying strength in the Canadian economy has been the stability of the purchasing power of the Canadian dollar. The wholesale price index has shown an extraordinary constancy; the consumer price index advanced only about 1 per cent in 1960.

"Though we must continue to be alert to the danger of a recrudescence of inflationary tendencies, the present position in North America appears to be that most if not all the immediate forces of inflation have been spent, and that more and more people are willing to base practical business and personal decisions on this assumption.

"The strongest feature of the Canadian economy in 1960 was undoubtedly our export

trade, which rose 6.4 per cent in the first 11 months to a new record, and may be expected to pass the \$5-billion mark for the year. This increase was entirely attributable to a rise in sales to overseas countries, notably the United Kingdom, Western Europe and Japan. At the same time our merchandise-trade deficit was reduced to \$116 million compared with \$412 million in the same period last year and a record \$731 million in 1956, and our commodity trade, happily, may be expected to come very close to balance for the year as a whole. Nevertheless, for the reasons I have outlined, it would be unrealistic to expect this gratifying trend to continue without extra effort on our part. To the maintenance and improvement of Canada's exports sales the Government has made an important contribution through the medium of the trade-promotion conference held in Ottawa under the sponsorship of my colleague the Minister of Trade and Commerce, and through the initiation jointly with the chartered banks of new and expanded financing facilities for the assistance of capital-goods exporters. The onus now clearly rests with Canadian producers and workers to mobilize all their efforts for the expansion of existing markets abroad and the development of new ones.

SPECIAL FEATURES OF CANADIAN ECONOMY

"The changes in the external factors influencing the Canadian economy which I have described serve to highlight a number of elements in our current situation which have direct relevancy to Canadian production and employment. One is that to which I have just alluded and which bears closely on our labour force and our ability to keep it fully employed at appropriate wage levels. I refer to the high cost of production which has developed in Canada over the past 15 years. It is clear that Canadian producers are today dependent for their prosperity upon keeping costs down and remaining competitive in both domestic markets and those abroad. I cannot overemphasize the need for establishing and maintaining a proper relation between prices, wages and productivity. This is an issue of the first magnitude and a challenge to employers, to employees and to the self-employed. I regard it also as a challenge to government.

PROBLEM OF UNEMPLOYMENT

"A second element which has come into sharper focus as a result of changes in economic conditions at home and abroad is the paradox of high unemployment at a time of record economic activity. Canada has long been familiar with the problem of seasonal unemployment induced by the rigours of our climate. Indeed, the Government in the past three years has advanced important measures to ameliorate the hardships of seasonal unemployment and to provide additional encouragement

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to winter employment. Like any other country, Canada is sensitive to the results of the business cycle on employment. We have, however, pursued fiscal and financial policies designed to aid production and employment and to offset the fluctuations in the economy. But neither seasonal nor cyclical considerations fully account for the structure of our unemployment today. The situation is complicated by the fact that the rate of growth in the Canadian economy has proved insufficient to absorb the exceptionally large annual additions to the labour force resulting from the high birth-rate during the war and immediate postwar years and to keep our capital facilities fully occupied. Thus, while employment rose 1.7 per cent in the first eleven months of 1960 and on the average 102,000 more Canadians were at work than in the same period in 1959, the increase in the labour force amounted to 2.8 per cent.

"A closely-related problem is that in the keenly competitive world of today with ample productive capacity and a rapidly-developing technology, many of those seeking work are finding that more training and skills are necessary in order to secure employment. Especially is this true of those entering the labour force for the first time....

"We have had a record rate of capital investment in Canada, and we may take satisfaction from the fact that the greater part of it has been provided from Canadian savings. We have continued, however, to rely heavily, as well, on imports of capital from abroad. During the period of exceptional expansion since the War, this rate of investment, including the capital inflow, enhanced both quantitatively and qualitatively the strength and diversity of the Canadian economy, including its capacity to service foreign obligations. Canadians, however, were becoming increasingly conscious of the extent to which ownership of their resources and the means of production were passing into non-Canadian hands. In the past year the conditions, short-term and long-term, affecting Canadian demand have altered. What seemed appropriate in a high-employment, high-production economy is now subject to question. If, as seems probable, our total capital investment, while remaining massive, increases somewhat less rapidly than in the past, it follows that the proportion to be financed from Canadian savings will be higher. This implies a change, perhaps a considerable change, in the sources to which Canadians must look for funds to finance their various investment programmes. The key to the situation is the ability and willingness of Canadians of their own accord to save and to invest in Canadian enterprise.

"One of the consequences of the inflow of imported capital has been the premium on the Canadian dollar. It has put our exporters at a disadvantage; it has often given imported goods an advantage over domestic products in the Canadian market....

"In the new circumstances which developed it became clear that measures were required which would provide an immediate stimulus to economic activity and employment, particularly this winter. It was also apparent that we had to think in terms of increased production and consumption in fields that would mean increased employment in Canada. It was plain also that, having regard to the nature of our unemployment problem, its solution could not successfully be achieved by the pursuit of short-term measures alone. We had to think in terms of overcoming fundamental weaknesses in the economy and removing impediments which lay deep at the roots of unemployment. Finally, we had to act within the scope of our budgetary position and in accordance with our responsibility for defending the integrity of our currency, lest there be a recurrence of inflation and our ends be defeated....

"I shall now review briefly the various measures in the Government's programme as they relate to the short and long-term objectives which I have described....

CONSTRUCTION PROGRAMME

"Of immediate benefit to employment have been the new provisions for housing construction and home ownership. This legislation enabled many new housing starts to be undertaken in the fall months. Also exercising an early and favourable influence on economic activity and employment are the important measures to provide financial assistance for urban renewal and slum clearance, sewage disposal, hospital construction and the construction of university residences....

"The Government has proposed also a number of major projects which, while not of as great immediate benefit, nevertheless will lay the groundwork for the resumption and acceleration of the long-term growth of our natural resource industries. These include extension of rail lines to Great Slave Lake and to the Mattagami area of Quebec, flood control projects in Western Ontario and around Winnipeg, and, most important of all, the vast Columbia River development scheme....

TRAINING PROGRAMME

"To meet the structural problems of unemployment which I have mentioned the Government has provided substantially enlarged federal contributions to vocational and technical training and the physical facilities therefor. Thus we aim to improve the efficiency of the Canadian labour force, to enhance its employment capacities and to provide young Canadians with the skills and training which are demanded of them in this highly industrialized society....

"I have stressed the need for greater production of Canadian resources and goods by Canadians as well as the need for more efficient production. In our free society we depend to a large extent on business to provide expansion in economic activity and

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TCA ENDS ANOTHER YEAR

Trans-Canada Air Lines carried more than 3,440,000 passengers in 1960 as it introduced jet travel on trans-continental and trans-Atlantic air routes.

This was a seven per cent increase over the number of passengers carried in 1959, when TCA broke the 3,000,000-passenger mark for the first time in its history, president G.R. McGregor revealed recently in an annual review.

PASSENGER CAPACITY INCREASED

TCA met the increasing demand for air transportation by making more than three billion seat-miles available to the travelling public in 1960, an increase of nine per cent over the previous year. Occupied seat-miles rose by 8.5 per cent to a record two billion, maintaining the airline's passenger-load factor at 66 per cent.

The total number of aircraft miles flown rose to more than 60,000,000 in 1960, approximately 10 per cent more than in the preceding year, while total revenue ton-miles jumped 11 per cent, to a new high of 231,435,000.

Air-freight traffic expanded at approximately twice the rate of passenger traffic, with the airline carrying more than 17,400,000 ton-miles of freight in 1960, an increase of 15 per cent over the figure for 1959. Air-express traffic increased 7.6 per cent to 2,855,000 ton miles, while mail traffic increased 2.3 per cent to 11,164,000 ton-miles.

Trans-Canada Air Lines introduced jet travel to Canadians on April 1, 1960, with a daily transcontinental Douglas DC-8 flight serving Montreal, Toronto and Vancouver. On June 1, the airline began daily jet flights across the North Atlantic between Canada and Great Britain.

WINNIPEG ON JET-ROUTE

Winnipeg was added to the transcontinental jet-route later in the year with the inauguration of a second daily cross-Canada flight. Calgary and Edmonton will get DC-8 jet service early in 1961. The airline inaugurated trans-Atlantic "Super Constellation" service from Halifax to London in the summer of 1960. On January 5, 1961, the Nova Scotia capital received DC-8 jet service, connecting it to both Montreal and London.

The giant jets flew 307,000,000 revenue-passenger miles in 1960, almost 15 per cent of the total revenue miles flown, and carried close to 140,000 passengers.

On May 28, one of the big jets established two official trans-Atlantic speed records, which TCA still holds. The DC-8 covered the 3,332 miles between Ottawa and London in five hours, 55 minutes, and the 3,247 miles between Montreal and London in five hours, 44 minutes.

DOMESTIC FLIGHTS

Flight frequencies on many domestic routes were increased in 1960. During the summer months, TCA provided more than 725 round-trip

seats daily across the continent, the more than 1,500 round-trip seats weekly across the Atlantic to the United Kingdom and continental Europe. In association with BOAC, with which TCA has a commercial agreement, more than 3,000 round-trip trans-Atlantic seats were made available weekly.

One of the most significant accomplishments in Canadian aviation during 1960 was the development by TCA of an entirely new fare structure for North American routes, giving TCA the lowest passenger and cargo rates on this continent, and including many other passenger benefits.

The new passenger tariffs, effective January 2, 1961, substantially reduced fares on routes over 600 miles in length, maintained fares on routes in the 400 to 600-mile range at close to present levels, and increased fares on routes under 400 miles in length.

In addition, TCA has converted its "Viscount" fleet to 54-seat economy-class aircraft and introduced economy-class service on all its North American routes. The airline also initiated round-trip excursion fares 25 per cent lower than even the new low economy fares on virtually all routes during eight months of the year.

TCA passengers now benefit from the highest baggage allowances - 44 pounds for economy-class travel and 66 pounds for first-class travel - and the lowest excess-baggage rates - 1/2 of one per cent of the applicable economy fare - in North America.

NEW MONTREAL AIRPORT

With delivery of the first DC-8 in February, TCA took partial occupancy of its new \$20-million engineering and maintenance base at Montreal, the world's first such base designed exclusively for turbine-powered aircraft. By spring the base was in full operation, employing almost 3,000 persons in the overhaul and maintenance of the DC-8's and of the piston-engined "Super Constellations" and "North Stars", and in ancillary functions. "Viscount" and "Dart" engine overhaul will continue to be carried out at Winnipeg.

The base was officially opened on December 15 by Transport Minister Léon Balcer.

Construction began late in 1960 on new maintenance and overhaul facilities at Vancouver and Halifax, both designed to handle turbine aircraft.

The first of 23 Vickers "Vanguards" ordered by TCA were delivered in December. These 425-mile-an-hour, 96-passenger turbo-prop airliners, designed for TCA's medium-length domestic, trans-border and southern routes, will go into service starting February 1, 1961.

RETIREMENT OF PISTON CRAFT

The last passenger-carrying "North Star" retired from scheduled service west of Toronto at the end of October, heralding the beginning of the end of TCA's piston-engined fleet. By the summer of 1961, the airline expects to

be the world's first inter-continental airline operating an all-turbine powered commercial fleet, consisting of "Viscounts", "Vanguards" and DC-8's exclusively.

Installation work began in 1960 on TCA's new \$3,500,000 electronic reservations system, which will speed reservations procedures and reduce the change of reservations errors to an absolute minimum. This system is expected to be operational by the end of 1961.

At the end of the year TCA's fleet consisted of seven DC-8's, three "Vanguards", 49 "Viscounts", 12 "Super Constellations", six DC-3's, 17 active "North Stars" and four retired. Three additional DC-8's and 17 "Vanguards" will be delivered in 1961.

The Rolls-Royce "Dart" turbine engines which power TCA's "Viscounts" achieved an unprecedented life of 3,000 hours between overhauls in 1960, a full year's flying without being removed from the aircraft, and ample proof of the outstanding reliability of these powerplants.

CANADIAN DESIGNS BEST STAMP

A Canadian postage stamp, issued last May 19 to commemorate the famous stand of Dollard Des Ormeaux and his companions at the Long Sault, has been named "best of the year" by an outstanding British philatelic authority.

The blue and brown Des Ormeaux stamp, which pictures a profile of the gallant French leader against a background battle scene, won first place in the 1960 "Ten Best" list of the Stamp Collector's Annual, published by Harris Publications Ltd. of London, England. Selections are made each year from among the thousand or more stamps issued by all countries of the world. The award-winning stamps are chosen by L.E. Scott, a noted English philatelic writer.

THE DESIGNER

The Dollard stamp was designed for the Canada Post Office by Philip Weiss, a native of Quebec who now makes his home in Ottawa. Another Canadian stamp, commemorating the Battle of the Plains of Abraham and also designed by Mr. Weiss, won a place on Mr. Scott's "Ten Best" list for 1959.

In reviewing his choice, Mr. Scott referred to the one and one-half inch square Canadian commemorative as "a little masterpiece".

In announcing the award, Postmaster General William Hamilton noted that the Dollard stamp has been issued to commemorate an important milestone in the relations between the settlers of New France and the native Indians. He pointed out that another stamp, marking the centennial of the birth of the Indian poet E. Pauline Johnson, would be issued early in 1961 and would honour the tremendous contribution of Canada's Indians to the development of the nation.

UNIVERSITY ENGINEERS TO INDIA

The appointment has been announced, under the Colombo Plan, of two university deans of engineering to carry out a survey of requirements in connection with the establishment of the Regional Engineering Institutes of India. The Regional Engineering Institutes form part of the development programme of India's third five-year plan. Dean R.R. McLaughlin of the University of Toronto and Dean H.G. Conn of Queen's University left for New Delhi during the first week of January on an assignment expected to take about two months.

LEADS EXPEDITION TO MEXICO

Dr. Richard S. MacNeish, senior archaeologist of the National Museum of Canada, has been selected to direct a research project in South-Central Mexico that will trace in detail the beginnings of agriculture and civilization in the New World.

Resources Minister Walter Dinsdale has announced that the National Museum scientist has been granted leave to visit the Tehuacan region of Mexico, where an expedition sponsored by the Peabody Foundation for Archaeology of Andover, Massachusetts, will collect material remains of Indian cultures remarkable for their successful practice of agriculture 6,000 to 9,000 years ago.

AN EARLIER EXPEDITION

Dr. MacNeish gained an international reputation for his investigations of the early cultures of North America in Northern Canada and in Mexico. In 1953-54 he led an archaeological expedition to Northern Mexico, which found a collection of plants and seeds dating from about 7,000 B.C. These, together with the remains of other food plants, showed that the early Indians of what is now Mexico may have been among the first people in the world to domesticate plants and practise an agriculture notable for such scientific practices as hybridization. Dr. MacNeish has returned to Mexico in recent winters using periods of annual leave and his own funds to pursue independently his research into early agriculture in North America.

Detailed exploration of the homes of North America's first farmers by the Peabody Foundation expedition is expected to yield important information on how and why civilizations arise, as well as scientific data that may aid modern agriculturists to increase food crop yields.

A \$21,500 grant has been made to Dr. MacNeish by the National Science Foundation of Washington, D.C., to assist the first season of field work by the expedition. Other U.S. foundations supporting scientific research are expected to make comparable grants. Dr. MacNeish has been granted leave-of-absence from

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the National Museum until June 1 and will return to Ottawa in time to prepare for a summer of archaeological field work in the Yukon Territory, where he is searching the campsites of the migratory tribes who moved into North America from Asia.

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FISHERIES RESEARCH BOARD

Commendation of the work of the Fisheries Research Board of Canada was expressed recently by Fisheries Minister J. Angus MacLean, who stressed the importance of scientific research, particularly at the beginning of a decade in which there is likely to be more scientific achievement than during the past century.

Mr. MacLean was speaking at the opening of the Research Board's annual meeting in Ottawa. "We are now living in an age where pressures and developments of various kinds are building up to a crucial point," he said. "Within the next few years, the world is going to reach a great ideological point at which it will have to decide how, or whether, it is going to carry on for the next century."

RESEARCH ACTIVITY

Referring to the 1960 achievements of the Research Board, the Minister quoted Dr. J.L. Kask, chairman of the Board, as being satisfied with the output by his staff of published material on both biological and technological investigations. He pointed out that the Board's research responsibilities stemming from international commissions continued to become more demanding, while the requirements of industry permitted no relaxation in current investigations. Much research effort was still necessary in connection with international agreements, and the domestic picture showed no justification for anything less than the best effort. "With regularly increasing competition and exploitation by foreign nations of high-seas fishing-grounds off our coast and of our markets as well," said Mr. MacLean, "we must make our best efforts even to maintain our position in the fishery world. This all points to more work for already hard-working people, and I have every confidence in the outcome."

The Fisheries Research Board is made up of 17 members, in addition to the chairman, who are appointed by the Minister of Fisheries for five-year terms and serve without pay. They are chosen from Canada's leading scientists, the fishing industry and the federal Department of Fisheries. Mr. MacLean said he was fully conscious of the personal sacrifices made by the members to attend these meetings, and that this evidence of placing Canada's interests above their own was a clear indication of the high purposes of the group.

CANADIAN ACADEMIC LIBRARIES

Centralized libraries in larger Canadian schools and universities served nearly 750,000 students in 1958-59, according to the *Survey of Libraries, Part II: Academic Libraries, 1958-59*, just released by the Dominion Bureau of Statistics. The survey includes information on 32 university and college libraries serving enrolments of 500 and over totalling 83,459 full-time students and 1,058 centralized school-libraries serving 666,680 pupils in publicly-controlled elementary, intermediate and secondary schools.

The university libraries reported a total stock of 6,040,556, or 75 volumes for each full-time student. The current operating expenditures of the libraries amounted to \$4,022,494, or \$48.20 for each full-time student.

Centralized school libraries serving centres of 10,000 and over, surveyed for the first time, reported a total stock of 2,898,780, or 4.5 volumes for every pupil served. About one school in three provided centralized school-library service, representing just over 40 per cent of the enrolment in the schools surveyed.

Also included in this publication are the results of a first survey of graduates of the four degree-granting library schools in Canada, at the universities of McGill, Toronto, Montreal and Ottawa. In 1960 these schools graduated 107 students with Bachelor of Library Science degrees, an increase of 33.7 per cent over 1959.

After graduation, 41.6 per cent of the graduates reporting took positions in public libraries, 38.6 per cent went to university and college libraries, 5.5 per cent to school libraries, and 13.9 per cent to special libraries. The median beginning salary of all 1960 graduates who reported was \$4,400.

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COLUMBIA COMMITTEE MEETS

The Canada-British Columbia Policy Liaison Committee met in Ottawa on January 3 and 4, 1961, to discuss matters connected with the proposed co-operative development of the Columbia River.

The Committee co-chairman were Mr. Alvin Hamilton, Federal Minister of Agriculture, and Mr. Ray Williston, British Columbia Minister of Lands and Forests. Other ministers present were, for Canada, Mr. Howard Green, Secretary of State for External Affairs, and Mr. E.D. Fulton, Minister of Justice, and, for British Columbia, Mr. Robert Bonner, Attorney-General and Minister of the Department of Industrial Development, Trade and Commerce.

During the course of the meeting, the ministers discussed, for the guidance of the Canadian negotiators, matters related to the drafting of a treaty in preparation for a meeting with the United States negotiators in Ottawa beginning January 5.

CANADA'S FINANCIAL POLICIES IN 1960

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employment. That is why in the Supplementary Budget I proposed a reduction in the tax on corporations with smaller incomes, and offered to business selective opportunities for accelerated depreciation. The extension from \$25,000 to \$35,000 of the first bracket of taxable corporate income to which the low rate of 21 per cent will apply means that, of the 62,000 corporate taxpayers in Canada, 55,000 now will pay no more than 21 per cent compared with the 7,000 who must pay at the top rate of 50 per cent....

TARIFF CHANGES

"Canada has consistently supported the GATT. This is not to say, however, that there is no scope for the improvement of our tariff structure. Indeed there is, and we shall continue to pursue this objective. Accordingly, since the Government took office it has made use of the Tariff Board to carry out the revision of the Canadian tariff. This has involved a number of references affecting important sections of the Canadian industry, some of which had not been reviewed for more than a quarter of a century. Altogether some 400 items in the Canadian tariff have been amended in the last three years, in each case following international negotiations....

INFLUENCING INVESTMENT POLICIES

"Measures were proposed to influence the policies of three of the major conduits for investment in Canadian equities. I refer to investment funds, mutual funds classed as investment companies and trustee pension plans. Accordingly, proposals were put before Parliament to require investment funds and mutual funds to derive at least 75 per cent of their gross revenue from Canadian companies and to require trustee pension plans to derive at least 90 per cent of their revenue from Canadian sources. Not only do these three types of institution provide the most important domestic channels for financing Canadian development, but they enjoy a preferred income tax position in this country. It is not unfair, therefore, that the bulk of their investments should be made in Canada....

"Taken together, these are measures which should have a positive and beneficial effect on the supply of domestic capital. They should also go a long way to enhance the attractiveness of investment in Canada for Canadians.

FOREIGN CAPITAL LOSES TAX ADVANTAGE

"In the light of this positive encouragement, and in the light of the changes in our economic circumstances, which I described earlier, certain tax advantages offered as special inducements to foreign capital are no longer warranted and were accordingly withdrawn in the Supplementary Budget. As a result

of such special concessions, non-residents profiting from investment in Canada have not always borne their fair share of the general costs of government and administration although they benefited in full measure from them. To redress this situation I proposed that the exemption from withholding taxes on certain payments of interest and principal by Canadians to persons residing abroad be withdrawn, and that the rate be established at 15 per cent....

"At the same time I proposed in the Supplementary Budget to withdraw the concession granted to dividends received by non-resident parent corporations from their wholly-owned or controlled subsidiaries in Canada. Such dividends become subject to the same 15 per cent rate of tax as dividends received by ordinary non-resident shareholders....

"Canada will continue to maintain a climate hospitable to foreign investment. This is not an anti-American budget. Those few persons who have so interpreted it have quite misread it....

"In this regard I wish to emphasize that the implementation of a 15 per cent withholding tax by the United States on interest and dividends payable to non-residents is an automatic consequence of our unilateral decision to withdraw from our agreement with the United States in this respect under the Canada-United States Tax Convention. This action by Washington is not in any sense an act of retaliation as members of the United States Administration have been at pains to underline.

EXCHANGE RATE

"I have already described the disadvantages attendant upon the premium which so long prevailed on the Canadian dollar....

"I might recall that following the Budget of last March, in which the Government substantially reduced its demand on the capital market, the premium on the Canadian dollar moved downward from 5 cents to a little over 2 cents. The Supplementary Budget has been followed by a further reduction. In recent days the Canadian dollar has been trading close to parity with the United States dollar.

"The Government welcomes this development in the exchange markets. We are gratified that it has taken place in an orderly manner. The Canadian economy will derive substantial and immediate benefits in terms of production and employment...."

POLISH TREASURES RETURNED

Commenting recently on the return to Poland of the treasures that had been stored for some years in the Quebec Provincial Museum, the Secretary of State for External Affairs, Mr. Green, observed that the Government of Canada had favoured an arrangement between the parties concerned to permit the Polish people to enjoy this important part of

their national heritage. Mr. Green recalled that he had had occasion to express this view to M. Rapacki, the Polish Foreign Minister, at sessions of the United Nations General Assembly in New York, and to explain that, while the achievement of a solution had not rested with Ottawa, the Canadian Government was prepared to assist, in any appropriate way, in the reaching of such an agreement.

Two years ago the Canadian Government arranged the return of the part of the Polish national treasures deposited with the Bank of Montreal in Ottawa. It has now assisted in arranging the departure from Canada of the balance of the collection to Poland, to take their place again in the Royal Palace of Wawel in Cracow, from which they were removed for safe-keeping at the outbreak of the Second World War.

APPRENTICESHIP TRAINING

The training of apprentices in skilled trades continues to show substantial growth in Canada, according to a report by the Dominion Bureau of Statistics. Total registrations of indentured apprentices with the provincial departments of labour as of September 30, 1960, reached 19,543. This represents an increase of 5.1 per cent over the previous year and an accumulated increase of 39.5 per cent over 1955 and 114.1 per cent over 1950.

These figures represent indentured apprenticeship in eight provinces, as Prince Edward Island has practically no such training and in Quebec the training is done largely on a pre-employment basis. In addition to the apprentices registered with the departments of labour, there are many other apprentices who are being trained by firms that conduct such training for their own employees. Indentured-apprenticeship training in the eight provinces other than Prince Edward Island and Quebec consists of a combination of practical training on the job and formal training in provincial or other trade schools. The formal part of this training may be taken on a full or part time basis or, in a few cases, through correspondence courses.

Over the period of the last ten years, the number of apprentices who successfully completed their training rose from 1,779 in 1950-51 to 4,004 in 1959-60. In the latter year 7,678 apprentices registered with the Departments of Labour for the first time, while 2,722 apprentices discontinued their training during the same year.

REGISTRATION BY PROVINCES

Ontario leads with 36.8 per cent of all registered apprentices in 1960, followed by Alberta with 23.7 per cent, and British Columbia with 10.2 per cent. Outside Newfoundland, where no training programme existed in 1950, the highest increase of registrations over the period of the last ten years was found in New Brunswick (183 per cent), followed

by Saskatchewan (159 per cent), whereas the lowest was in Nova Scotia (88 per cent) and Ontario (84 per cent).

Motor-vehicle mechanics and repair men at present form by far the largest group of apprentices (5,955), followed by construction electricians (2,927), plumbers and pipefitters (2,399) and carpenters (1,514).

The automotive trades attracted 34.3 per cent of registered apprentices, the construction trades 28.6 per cent, the electrical and electronic trades 17.1 per cent, the mechanical and metal working trades 13.2 per cent, and the service trades 3.8 per cent. The remaining 3.0 per cent is made up of miscellaneous trades.

POPULATION AT DECEMBER 1

Canada's population at December 1 last year was estimated at 18,020,000, having passed the 18,000,000-mark in mid-November, according to the Dominion Bureau of Statistics. This was a rise of 370,000 or 2.1 per cent over the figure of 17,650,000 for December 1, 1959, and was some 1,939,000 or 12.1 per cent above the 1956 Census level.

Alberta had the largest proportionate increase among the provinces in the 12 months ended December 1, 1960 (3.3 per cent), followed by Newfoundland (2.6 per cent), Ontario (2.2 per cent), and Quebec and British Columbia each with 2.1 per cent. The gain in Prince Edward Island was 1.9 per cent, New Brunswick 1.8 per cent, Manitoba 1.6 per cent, Nova Scotia 1.1 per cent, and Saskatchewan 0.7 per cent. There were rises of 7.7 per cent in the Yukon and 4.8 per cent in the Northwest Territories.

POPULATION BY PROVINCES

Estimated population of the provinces and territories at December 1, 1960, with comparable figures for December 1, 1959, in brackets, was as follows: Newfoundland, 465,000 (453,000); Prince Edward Island, 105,000 (103,000); Nova Scotia, 727,000 (719,000); New Brunswick, 606,000 (595,000); Quebec, 5,170,000 (5,062,000); Ontario, 6,160,000 (6,029,000); Manitoba, 906,000 (892,000); Saskatchewan, 913,000 (907,000); Alberta, 1,306,000 (1,264,000); British Columbia, 1,626,000 (1,592,000); Yukon, 14,000 (13,000); and Northwest Territories, 22,000 (21,000).

Increases in population among the provinces and territories since the 1956 Census were: Newfoundland, 50,000 (12.0 per cent); Prince Edward Island, 6,000 (6.1 per cent); Nova Scotia, 32,000 (4.6 per cent); New Brunswick, 51,000 (9.2 per cent); Quebec, 542,000 (11.7 per cent); Ontario, 755,000 (14.0 per cent); Manitoba, 56,000 (6.6 per cent); Saskatchewan, 32,000 (3.6 per cent); Alberta, 183,000 (16.3 per cent); British Columbia, 227,000 (16.2 per cent); Yukon, 2,000 (16.7 per cent); and Northwest Territories, 3,000 (15.8 per cent).