



# CANADIAN WEEKLY BULLETIN

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## CANADA AND THE WORLD

1956

In a general survey of international affairs during 1956 and Canada's position in relation to them, the Annual Report of the Department of External Affairs, tabled in the House of Commons April 11, said that in a varied series of important developments there were some surprises, some gains for the cause of peace and security, and some serious setbacks. In the chapters that follow the principal themes--and more especially those of particular concern to Canada--are briefly examined.

Though the cold war still goes on some advances in the broad field of economic well-being were made. As a result of a conference held in New York in September and October, the representatives of seventy countries signed the Statute of the International Atomic Energy Agency. Pending ratification, a Preparatory Commission will make preliminary arrangements for the establishment of the Agency, which, when in operation, will be in a position to assist a large number of countries. The Colombo Plan continued to be actively implemented. For its part, Canada increased its contribution to the Plan, as it did to the United Nations Programme for Technical Assistance. Progress was made by the six European governments concerned in the projects of a common market area and Euratom--the proposed European agency for co-operation in the peaceful uses of atomic energy.

The friendly and close character of relations within the Commonwealth was demonstrated in particular by the Prime Ministers' Meeting in London in June. The unhappy events which took place later in the Middle East imposed a severe strain for a time on those relations because of differences of policy between the United Kingdom and the three Asian members. Nevertheless there was a genuine desire on the part of all concerned to ease the strains and remove the differences. Progress has been made toward that essential objective.

Within the Commonwealth itself a number of changes have taken place. In March the Republic of Pakistan was proclaimed. Negotiations between the United Kingdom Government and representatives of Malaya resulted in the signature of an agreement under which the Federation would be granted sovereignty, with August 31, 1957 set as the expected date for independence. Legislation was passed in London to provide for a Caribbean Federation. Thus the Commonwealth continued to grow and adapt itself to changing conditions.

The North Atlantic Treaty Organization, too, was alert to new developments. From one point of view there was no change: the threat to the West remained undiminished. While, however, the military responsibilities of NATO were no less and required continued attention, it was seen that the political and economic problems common to the NATO Powers

(Over)

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were such as to demand increased study. At the Ministerial Meeting of the Council in May a Committee of Three Foreign Ministers--those of Italy, Norway, and Canada--was appointed to "advise the Council on ways and means to improve and extend NATO co-operation in non-military fields and to develop greater unity within the Atlantic Community." The Report of the Committee, which was published in December, examines political co-operation, economic co-operation, cultural co-operation, co-operation in the information field, and the organization of NATO as applied to its non-military aspects. This Report was approved by the Council at its December meeting.

#### TEST FOR ASSEMBLY

The United Nations, increasingly representative through the addition of new members, became in 1956 more than ever the forum for discussion and negotiation of problems; in particular it was seized of the critical situations that arose in Eastern Europe and the Middle East in the late months of the year. This latter problem is proving to be one of critical importance as a test of the value of the Assembly in the field of peace preservation.

One of the main factors influencing international affairs in the postwar years has been the foreign policy of the Soviet Union. During the early months of 1956 there were indications that that policy was departing in some respects from the rigidities of the Stalinist era. Western governments were under no delusion as to the continuation of the threat to the security of the non-communist world; nor, in particular, did they interpret the modifications in Soviet policy as detracting from the necessity of NATO as a protection against any possible Soviet military aggression. There were, however, some signs of a desire amongst the Soviet leaders to raise the iron curtain. Through the gap visitors passed more freely than in the past between the Soviet Union and Western countries. Cautious hopes arose that the Soviet Union, influenced not least by the appalling prospect of nuclear war, would develop a new interest in meaningful negotiations with non-communist states.

Such budding hopes as may have been briefly cherished were, ironically, frozen by the brutal termination of what had seemed to be a more liberal attitude toward the states in Eastern Europe that were under Russian domination. Partly as a necessary corollary of some degree of reconciliation with Yugoslavia, the Soviet Government had given promise of loosening the straitjacket of Moscow control. The response in Eastern European states demonstrated the desire, which had been known to exist, for return toward personal and national freedom. Poland did achieve some success in moving toward these ends, but the later Hungarian attempts to go further by withdrawing

from the Warsaw Treaty and planning for free elections went beyond the boundaries permitted to a satellite state, so on November 4 the Soviet Army intervened to crush what had developed into a revolution of national liberation. An attempt to have the Security Council deal with the Hungarian question was blocked by a Soviet veto. However, this was in turn overcome by transferring the question to the General Assembly, following the pattern followed a few days earlier in the similar situation that had developed in connection with the Middle Eastern item.

#### "UNITING FOR PEACE" RESOLUTION

An emergency session of the General Assembly had already been called because of the inability of the Security Council to deal with the outbreak of hostilities in the Middle East in the face of vetoes by permanent members. For the first time the "Uniting for Peace" Resolution of 1950 was invoked, allowing the Assembly to be convened and to consider the critical situation that had arisen. Thus, throughout November and December the Assembly, first in special and then in regular session, devoted a great deal of time to these matters. On the Middle East rapid action was taken. Arrangements were made for a cease-fire, withdrawal of foreign forces from Egyptian territory, the establishment of a United Nations Emergency Force, and the clearance of the Suez Canal. No comparable progress was made in respect of the situation in Hungary. The efforts of the General Assembly to send observers to Hungary to examine the position at first hand were frustrated by the refusal of the Soviet Government and the Hungarian Government to allow either the Secretary-General or his representatives to make such an investigation. Similarly the Soviet Government brusquely ignored requests that its troops should be withdrawn from Hungarian territory. The Assembly had, perforce, to restrict its activities to debate in which the situation, in so far as it was known, was described before the world in all its grim tragedy. For Canada, as for other individual countries, it remained during 1956 only to assist the political refugees who daily streamed into Austria, both by public and private financial aid and by accepting a share of them as immigrants.

Thus, as the year drew toward its end, the two situations most threatening to peace had--with a host of other complicated problems--been brought before the organization set up, above all, to preserve peace. That the United Nations was only partly successful does not remove the significance of what it did accomplish. In terms of the hopes and ideals of 1945, neither the limited degree of success nor the means by which it was achieved would have been expected; but in terms of the disappointments in subsequent years the record of the United Nations in 1956 gives some cause for encouragement.



### EXCHANGE OF SECURITY INFORMATION WITH UNITED STATES

Mr. L.B. Pearson, Secretary of State for External Affairs, made the following statement in the House of Commons April 10:

"Mr. Speaker; as I previously informed the House, this Government has already protested formally and strongly to the United States Government in the only way open to this Government with regard to the action of certain members of the United States Senate Subcommittee on Security in making public again, years after their first appearance, slanderous insinuations against the loyalty of a high Canadian official, which helped to bring about the tragic results that have so shocked and saddened us.

#### NOTE OF PROTEST

"The note of protest to which I have referred was dated March 18. It was from our Ambassador in Washington to the Secretary of State, and it reads as follows:

"I am instructed by my Government to bring to the attention of the United States Government the allegations of disloyalty which have been made in the United States against Mr. E.H. Norman, the Canadian Ambassador to Egypt, a high and trusted representative of the Canadian Government. The irresponsible allegations to which I refer, and which in any event would concern matters to be dealt with by the Canadian Government and not by a Subcommittee of the United States Senate, were contained in the textual record of the Internal Security Subcommittee of the Senate Committee on the Judiciary, which was officially released by that body to the press in Washington, D.C., at 4:30 p.m. on March 14.

"I am instructed to protest in the strongest terms the action taken by an official body of the legislative branch of the United States Government in making and publishing allegations about a Canadian official. This procedure is both surprising and disturbing because it was done without the United States Government consulting or even informing the Canadian Government and without taking account of relevant public statements made earlier by the Canadian Government.

"The Canadian Government examined similar allegations as long ago as 1951, and as a result of an exhaustive security inquiry the full confidence of the Canadian Government in Mr. Norman's loyalty and integrity has been confirmed in all respects. The conclusions of the Canadian Government were made public at that time and must have been known to the Subcommittee particularly as the State Department was requested at the time and again on December 11, 1952 to draw them to their attention. I am attaching the texts of two statements made by the Canadian Government on this matter in 1951.

"The repetition of such irresponsible allegations in the Subcommittee and the pub-

lication on the authority of this official body of a record containing such allegations is the kind of action which is inconsistent with the long-standing and friendly co-operation characterizing relations between our two countries."

#### U.S. REPLY

"Today, Mr. Speaker, I have received from the Acting Secretary of State of the United States a reply to the communication which I have just read. It reads as follows:

"I have the honour to refer to your note 155 of March 18, 1957 protesting, on behalf of the Canadian Government, against certain references to Mr. E.H. Norman, the late Canadian Ambassador to Egypt, which were made during hearings of the Senate Internal Security Subcommittee and which were later made public.

"I should like, at the outset, to express to the Canadian Government and to Mrs. Norman my sincere condolences and those of my colleagues over the death of Ambassador Norman in Cairo.

"As for the substance of your note, I wish to assure you that any derogatory information developed during hearings of the subcommittee was introduced into the record by the Subcommittee on its own responsibility. As you are aware under our system of government the Executive Branch has no jurisdiction over views or opinions expressed by members or committees of the United States Congress. The investigation being undertaken by the Subcommittee lies entirely within the control of the Subcommittee.

"It is the earnest desire of my Government to continue to maintain friendliest relations with the Government of Canada, and it deplors any development from any sources, either American or Canadian, which might adversely affect those relations.

"We followed up, Mr. Speaker, the first note to the United States Government, the one I have just read and pending a reply to it which has now been received, by oral communications through our Embassy in Washington and through the United States Embassy here. Our views on this matter have reached the very highest authorities in the Government of the United States, who have understood our feelings and our position and have tried to be helpful in this matter.

"In making this statement, Mr. Speaker, I venture to express the hope that the action in question about which we complain, and which has aroused resentment and even bitterness in Canada, can be kept in proportion in so far as our relations with the United States generally are concerned. This action was taken by only one or two members of a legislative Subcommittee, and by one of its employees. It has been attacked by other Americans and



deeply regretted by more. May I mention, for instance, the sincere letter sent to our Ambassador in Washington by the Chairman of the Senate Foreign Relations Committee, and which included the following words; this is from Senator Green:

"It was with the deepest sorrow that I learned of the death of Mr. E. Herbert Norman, your Ambassador to Egypt. Indication that his death may have been attributable to unfortunate publicity arising from activities in connection with the work of the Senate leads me to express my deep regret to the Canadian Government and to the Norman family. Please convey this message to them."

"I have, myself, received a great number of communications from, and read many articles by, Americans which express the same kind of indignation which we feel. Perhaps I might be permitted to quote one paragraph from a letter sent to me by a man of whom I have never heard, in a small town in Maryland. He writes:

"I sincerely believe that the vast majority of the people of the United States have the warmest regard and admiration for your great country and its people and regret exceedingly the action of the Subcommittee."

"Please don't direct your ire at the people of our country or our Government for I truly believe that in this case a handful of men have cast a bad reflection on over 160 million people."

#### REMAIN CLOSE FRIENDS

"I hope, therefore, that we will not permit our strong feelings in this matter to be directed against the people of the United States or the Government as a whole. They remain our close friends, and we must do everything possible to maintain and strengthen a friendship which has meant so much to both countries in the past and may mean more in the trying and dangerous days ahead. To indict the whole United States because of our just resentment regarding the acts of two or three individuals, even though in high legislative positions, would be indulging in that guilt by association which we so rightly condemn in others as a dangerous and disintegrating threat to the freedom and order in our society today."

"The issue before us, however, is not only the tragedy of one man, victimized by slanderous procedures in another country and unable to defend himself against them. There is a broader question of principle involved, the right, to say nothing of the propriety, of an agency of a foreign government to intervene in our affairs in such a way as to harass one of our citizens who held a responsible and important position in the service of our Government."

"Such intervention, I am sure the House will agree, is intolerable and should not take place. It is this Government's, this Canadian Government's, own responsibility to deal with accusations against its citizens within its

own jurisdiction in matters concerning security, as in other matters. It is not the responsibility of any subcommittee of the legislature of another country. We try to accept our responsibility as a Government in this regard, and we will discharge it to the best of our ability, having regard not only to the security of our own country but also to that of a friendly neighbour, and to the danger to free institutions generally from the international communist conspiracy.

"I hope we will also act in these matters, Mr. Speaker, in accordance with principles of justice and fair play, which do not include the making public of charges made in secret session of a Committee, which concern officials of a friendly foreign state. If we fail in the discharge of our security responsibilities as a Government, we are answerable to our own people and not to a Subcommittee of any foreign legislature. While of course this Government cannot control in any way, and has no desire to control, the practices of any governmental agency of another country, we have also a duty to refrain from any action which might assist or facilitate those practices to the prejudice of our own citizens."

"We have, therefore, with this purpose in mind, examined our procedures regarding exchange of security information with the United States. I recognize, Mr. Speaker, that nothing we could have done would have prevented the action taken against Mr. Norman by the United States Senate Subcommittee on Security because the information they gave out, covering allegations going back years and dealt with by this Government years ago, was secured from other than Canadian sources. Nevertheless, this experience has emphasized that we should now take steps to ensure that information received from us on these matters could not possibly be used for wrong purposes against Canadians in the future."

"With this end in view, our Ambassador in Washington today delivered the following communication to the United States Acting Secretary of State, and I will put this communication on the record:

"I am instructed by my Government to take up as a matter of urgency with the United States Government, the question of the procedures which have been followed intermittently by the Internal Security Subcommittee of the Senate Committee on the Judiciary in releasing the names of Canadians who have been mentioned in the proceedings of that Subcommittee particularly in its executive sessions."

"The Canadian Government has more than once complained of the methods employed by that Subcommittee in releasing the names of Canadians and has stated that if the names of Canadian officials appear in evidence before investigating committees in Washington, those names should be sent in confidence to the Canadian Government so that the allegations can be investigated and dealt with in Canada."



'In our view it is essential that this procedure, requested by the Canadian Government should be followed, and that references made in proceedings of the Subcommittee to individual Canadians should not first be made known to the Canadian Government through the press.

'As the United States Government knows, the Canadian Government finds the procedures actually adopted by the Subcommittee with respect to Canadians difficult to understand, unfair and indeed intolerable. The Canadian Government therefore requests again that these procedures be altered in so far as Canadians are concerned along the lines indicated above.

'The Canadian Government has a duty to protect Canadian citizens by all means legally at its disposal from unwarranted interference by any foreign government. There is little that the Canadian Government can do, however, to make this protection effective for those Canadian citizens, whose names are made public by Congressional Committees, unless it is able to secure the co-operation of the United States Government.

'The United States Government is aware that the appropriate security agencies of the two Governments have in the past exchanged security information on a reciprocal basis when such information formed part of an investigation important to the security of either country. This reciprocal exchange of information has assisted substantially in maintaining the security of our two countries, and the Canadian Government is not suggesting that it has been improperly used by the security agencies in the United States with which this exchange takes place.

'Nevertheless the Canadian Government must take every precaution which lies within its power to protect Canadian citizens from the danger of this information falling into the hands of persons who might use it without any sense of responsibility or fairness, or regard for the rights of Canadian citizens, within the jurisdiction of Canada. In view of the conduct of congressional investigations affecting Canadians, and because of its responsibility for taking every precaution in its power to protect Canadian citizens, the Canadian Government requests that, in the reciprocal exchange of security information, the United States Government give its assurance that none of its agencies or Departments will pass such information to any committee, body or organization in the United States over which the Executive Branch of the United States Government has no executive control, without the express consent of the Canadian Government in each case. The Canadian Government for its part assures the United States Government that any security information on United States citizens supplied by United States agencies to the security agency of the Canadian Government, will be given similar protection in Canada to that now requested with respect to security

information about Canadians from the United States Government.

'Unless such an assurance can be given, I am instructed by my Government to inform you that the Canadian Government must reserve the right in future not to supply security information concerning Canadian citizens to any United States Government agency.

"That, Mr. Speaker, is the end of the note which was delivered today. I can only hope that very shortly a satisfactory reply will be received to that note, that the assurances we have asked for will be given, and that the rights I mentioned will not have to be exercised."

Mr. J.G. Diefenbaker, Leader of the Official Opposition, Mr. M.J. Coldwell, Leader of the CCF Party, and Mr. E.G. Hansell, speaking for the Social Credit Party, associated themselves with the views expressed by the Secretary of State for External Affairs.

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**SUPPORT PRICE:** The Minister of Agriculture, Mr. James G. Gardiner, announced recently that the Agricultural Prices Support Board had been authorized to provide a support price for Canada First Grade dry skimmed milk on the basis of a price of 17 cents per pound for spray process and 14 cents per pound for roller process, f.o.b. storage at certain designated storage points throughout Canada.

The Minister stated that he hoped by introducing this additional support for the dairy industry that sufficient stability would be provided to encourage producers to maintain their present production of milk. Consumption of dry skimmed milk in Canada is increasing annually so it has been considered desirable to maintain approximately the present market price for dry skimmed milk during the spring and summer flush production period.

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**CANADIAN BAND HONOURED:** A Canadian Army Band performed before royalty last week in the stately Palace of Versailles near Paris.

The occasion was the Commonwealth Foreign Ministers' reception for Her Majesty the Queen and His Royal Highness Prince Philip, Duke of Edinburgh.

The concert orchestra of the Royal Canadian Signals Band, serving in Germany with Canada's 2nd Infantry Brigade Group, performed for the royal couple at the reception. The band, under Lt. Charles A.W. Adams, Director of Music, of London and St. Catharines, Ont., presented a programme of light music. This marks the second time that the band has been selected for such an occasion. One year ago they played in Paris at the Commonwealth Ambassadors' reception for the Queen Mother.

Earlier performances in Paris at Supreme Headquarters Allied Powers Europe (SHAPE) have drawn praise from former SHAPE Commander General Alfred M. Gruenther, and from Field Marshal Viscount Montgomery of Alamein.



## CANADA'S LARGEST ICEBREAKER

Construction of what will be Canada's largest icebreaker afloat, which will be operated by the Department of Transport in the Lower St. Lawrence and Maritime area as well as in the Arctic, will be undertaken at Lauzon, Quebec, according to an announcement made April 10 by Transport Minister George C. Marler.

The new vessel is to be an ocean-going icebreaker which will be suitable for service under most rigorous Arctic conditions. It is to have a cruising radius of approximately 20,000 miles at a speed of approximately 10 knots, with sufficient capacity to enable a full Arctic season to be spent at sea without replenishing supplies or refuelling. The complement of the ship is 77 and accommodation is provided for 29 passengers.

An interesting feature of the new icebreaker, apart from its size, is that practically all its operations will be electrical and will be "push-button" controlled. The vessel is to be equipped with three propellers aft to provide for maximum power.

The vessel is to be powered by diesel-electric engines, with bridge control of main propulsion machinery. Local control at the engine rooms will be available if required. The maximum power of the propulsion machinery is calculated at approximately 18,000 brake horsepower on three shafts, and the engines are calculated to develop 136 revolutions per minute during icebreaking operations and 170 R.P.M. when running free.

In keeping with the Department of Transport

requirement for helicopter flight decks on departmental vessels working in Arctic waters, the new icebreaker is to be equipped with an advanced type of helicopter hangar with ancillary equipment and a large flight deck, and will be capable of carrying as many as three helicopters depending on their size.

The specifications call for special attention being given to scantling and framing of the new vessel to equip it for heavy icebreaking service. Heavy plates, approximately two inches thick, are provided in the underwater part of the vessel to give maximum strength for operating in ice. The bow of the vessel will be one continuous steel bar of great strength, to which the heavy steel plates and supporting stringers, flats and brackets will be welded.

The new icebreaker will be outfitted with the most modern navigation and telecommunication equipment. It will be fireproof throughout and will have special accommodation for officers and crew as well as passengers for the long periods the vessel will serve in isolated waters.

Specifications of the new triple-screw diesel-electric icebreaker are as follows: overall length 315 feet; moulded breadth 290 feet; moulded depth to upper deck 41 feet; draft when loaded 28 feet; deadweight on 28 foot draft 3380 tons; cruising speed 10 knots; trial speed at load draft 15.5 knots; hold capacity approximately 55,000 cubic feet; refrigerated cargo and domestic storage capacity approximately 7,000 cubic feet.

**LEADING MINERALS:** Record amounts of iron ore, crude petroleum, natural gas, and cement were produced in 1956, the Dominion Bureau of Statistics reports in its latest report on the production of leading minerals. In all, there were larger production totals for 10 of the 16 minerals listed. Declines were posted for asbestos, gold, lead, lime, silver and zinc.

Year's production totals were: iron ore, 21,996,589 tons (16,283,177 in 1955); crude petroleum, 171,980,599 barrels (129,440,247); natural gas, 169,542,504,000 cubic feet (150,772,312,000); cement, 29,051,035 barrels (25,168,464); gypsum, 4,933,939 tons (4,667,901); nickel, 178,767 tons (174,928); and salt, 1,587,771 tons (1,244,761).

The year's output of coal amounted to 14,912,534 tons (14,818,880); copper, 356,251 tons (325,994); asbestos, 1,017,848 tons (1,063,802); clay products, \$37,387,757 (\$34,271,350); gold, 4,395,770 fine ounces (4,541,962); lead, 188,969 tons (202,762); lime, 1,303,357 tons (1,331,118); silver, 27,655,141 fine ounces (27,984,204); and zinc, 419,402 tons (433,357).

**AID TO NAVIGATION:** An ocean-going diesel-electric driven lighthouse supply and buoy vessel for service in eastern coastal waters is expected to be completed by 1959, according to the Department of Transport.

The new vessel will be powered by diesel electric engines with a total of 4,250 horsepower; will have a radius of 10,000 miles without refuelling; and will be equipped with a helicopter flight deck. The vessel is to have a raised forecastle, raked stem, icebreaker type bow and cruiser stern. Specifications call for maximum deck space for buoy work and three cargo holds.

The new vessel will be electrified throughout. The electrical generating plant will provide electric lighting throughout the vessel and electric power for auxiliary machinery.

Specifications of the new lighthouse supply and buoy vessel are: overall length 272.5 feet; moulded breadth 45 feet; moulded depth to upper deck 21.5 feet; deadweight on 17.5 foot draft, 1,610 tons; radius of operations 10,000 miles; speed 15 knots; complement of crew, 57 persons.



JAPANESE FARM TRAINEES: Two Japanese farm trainees under Japanese Government sponsorship are taking part in a farm training programme in Canada arranged by the Canadian and Japanese Governments.

The training programme is arranged in such a way as to provide these Japanese farmers with information and experience in certain areas of agriculture which, it is hoped, will be of assistance to them.

The two trainees, Mr. Shintaro Honma of Niitsu and Mr. Fumio Tanaka of Shimonoseki, spent a few days in Ottawa taking part in a preliminary orientation programme which was organized by the various government departments interested in this scheme to familiarize them with Canadian habits and customs and to provide them with an outline of Canadian Government agricultural policy.

Following this briefing session they proceeded to farming assignments in Ontario, arranged for them by the Department of Agriculture of that province in co-operation with the Federal Government Department. The trainees will work on these farms subject to the same conditions as would apply to Canadian Agricultural workers to acquire first-hand knowledge of Canadian farming techniques which may prove useful when they return to Japan. At the conclusion of the farming season in November they will attend Ridgeway Agricultural School near Chatham, Ontario, for the normal winter term of studies and upon conclusion of this "academic" part of the programme in April they will return to Japan.

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TRANS-ATLANTIC CABLE: Agreement in principle that a new submarine cable to provide extended telephone and telex services across the Atlantic Ocean was reached by officials of the Governments of Canada and the United Kingdom who met in Ottawa with representatives of Cable and Wireless Limited and Canadian Overseas Telecommunications Corporation.

The first telephone cable between the United Kingdom, Canada and the United States was opened for service in September, 1956. Although the cable represented a most notable advance in trans-Atlantic telephone communications, the maximum capacity that could be provided on the cable was limited for technical reasons.

The high quality of the service has led to a greatly increased volume of traffic. In fact, telephone traffic between Canada and the United Kingdom has trebled in six months.

Since the existing trans-Atlantic cable was planned, advances in techniques will enable future cables to have greater capacity.

With the rapid economic development of Canada, the prospect is that traffic will continue to grow rapidly. Interim measures were explored with the object of meeting the immediate situation. It was agreed, in principle, by the officials that a new submarine

cable, incorporating techniques at present under development, should be provided as quickly as possible between Canada and the United Kingdom. This would accommodate many more circuits than any existing cable of comparable length.

Provisional plans to this end were agreed in the discussions for further consideration by the two Governments concerned. The new cable could be an important link in the Commonwealth system as a whole and the next step will be discussions with other Commonwealth countries. It is expected that the new cable could be completed by 1961 as a joint undertaking by Cable and Wireless Limited and Canadian Overseas Telecommunication Corporation.

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WHO DELEGATES: Canada's delegation to the Tenth World Health Assembly, meeting in Geneva on May 7, will be headed by Dr. P.E. Moore, Director of Indian and Northern Health Services of the Department of National Health and Welfare.

Alternate delegates will be Dr. Renaud Lemieux, of Quebec, President of the Canadian Medical Association; Dr. A. Somerville, deputy minister of Public Health, of Alberta; M. Wershof, Canadian Permanent Delegate to the United Nations, Geneva, and M.G. Clark, Financial Adviser to the Canadian Permanent Mission, Geneva.

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EXPORT INSURANCE: The year 1956 witnessed the largest annual volume of business insured by the Export Credits Insurance Corporation--\$54,777,665--according to the Corporation's annual report tabled in the House of Commons by the Right Hon. C.D. Howe, Minister of Trade and Commerce.

The Report of this Crown Company showed its increasing importance in assisting Canadian exporters to compete in the world's markets and revealed that since issuing its first policy in 1945 the Corporation had insured \$376 million of Canadian exports. Claims paid to Canadian exporters during 1956 totalled \$1,564,968 arising mainly from delays in payment due to exchange transfer difficulties in certain countries. Since commencement of operations the Corporation has paid to Canadian exporters a total of \$7,821,612 and of this sum \$3,335,359 has not been collected but the bulk is fully covered by deposits of local currency with banks abroad.

The result of the operations of this Crown Company for the year showed an excess of claims and expenses over premiums and interest amounting to \$814,850. The underwriting reserve now stands at \$1,418,103.

There were 198 policies current at the year end covering exports of a wide variety of products to some 80 different countries. Liabilities under these Policies totalled \$48,601,024.



CANADA AND THE WORLD

1956

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During the year the Government welcomed to Canada the Crown Prince of Laos, the President of Indonesia, the President of Italy, and the Vice-President of Brazil. Amongst other distinguished visitors were the Prime Ministers of Australia, Ceylon, India, New Zealand and the United Kingdom, and the Deputy Prime Minister of Laos, the Secretary of State for Foreign Affairs of the United Kingdom, and the Ministers of External Affairs of Australia and New Zealand; Ministers of cabinet rank from thirteen countries; the retiring Supreme Allied Commander in Europe; and a large number of senior government officials and representatives of international organizations. Thus were afforded many opportunities of discussions on international questions of common concern, complementary to those conducted through regular diplomatic channels and in international organizations of which Canada is a member.

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**SASKATCHEWAN OUTLOOK:** Hon. C.M. Fines, Provincial Treasurer, forecast another good year for Saskatchewan during 1957 in his review of the Province's economic outlook in his thirteenth consecutive budget brought down in the legislature.

"Barring sharp deflationary forces from beyond our boundaries, and the still unpredictable hazards of nature, I think we can look forward to another good year for Saskatchewan," he said. "Our budget proposals for 1957-58 are thus keyed to the expectation of continuing economic expansion."

**GENERAL EXPANSION**

"Based on the encouraging experience of the past year, investment in resource development in the province should continue at a high rate. Oil and gas development are likely to expand further, and uranium output is expected to double in value."

Mr. Fines also cited the expansion of potash and coal industries, power and manufacturing, as well as prospects for a start on pulp and paper, as being further reasons for optimism for Saskatchewan.

"Enlargement of the service industries is particularly evident in the rapid growth of urban centres," he said. "Total investment should remain at very high levels, with expanded programmes of public construction offsetting some decline in such areas as housing."

Turning to the national scene, Mr. Fines said the picture looked reasonably bright, but suggested there was some concern that the current boom may have reached a turning point and that slackness in the economy might develop before year end. However, consumer prices and

producers' costs were still tending upward and investment intentions showed a further 5.7 percent rise over 1956. Inflationary pressures were still very strong in Canada, he indicated.

**LOWER FARM INCOME?**

Referring to the agricultural outlook for the coming year, Mr. Fines stated that with clouded wheat export prospects, somewhat lower levels of farm cash income may be in sight.

"We can hope that the momentum of current marketing conditions will prevent a serious decline, but unless the Federal government brings a new and more imaginative view to the problem of selling Canadian wheat in competitive world markets, exports may again turn downwards. Latest reports indicate that Canadian exports in the current crop year are not likely to show much improvement over the 1955-56 level of 308 million bushels."

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**B.C. SALMON IN JAPAN:** British Columbia sockeye salmon—about 98,000 of them—will soon be swimming in Lake Chuzenji in Japan.

The Department of Fisheries has been advised that a shipment of eyed sockeye salmon eggs had arrived safely at the Nikko national hatchery near Tokyo, where they will be retained until ready for planting.

The gift arose from meetings between Canadian and Japanese scientists working on fishery surveys in the North Pacific Ocean under the International North Pacific Fisheries Commission.

Japanese members had mentioned that stocks of Kokanee—a landlocked sockeye—in the lake were diminishing. The Canadians offered to send replenishments.

Eggs were procured from 75 sockeye spawners at Cultus Lake and brought to the eyed stage at the B.C. provincial hatchery before being sent to Japan.

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**BRIEF VISIT:** General Sir Charles Keightley, GCB, KBE, DSO, Commander of the Anglo-French land forces during the Suez operations, was in Canada yesterday and today. The United Kingdom General, who was accompanied by Lady Keightley, arrived yesterday by train at Montreal from the United States.

After meeting representatives of the St. Lawrence Seaway Authority, Gen. Keightley delivered a lecture today at the Canadian Army Staff College, Kingston, Ont., on strategic problems of the Middle East.

Before his visit to Canada he delivered a series of lectures in the United States under the Kermit Roosevelt Trust.

General and Lady Keightley embarked on the RMS Carinthia at Montreal today to return to the United Kingdom.