



CANADA

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CANADA AND OUTER SPACE

In an address at the Royal Military College, Kingston, Ontario, on May 15, 1959, Prime Minister Diefenbaker discussed Canada's place in the space age. He reiterated what he had said on a previous occasion, that jurisdiction should be vested in the United Nations so as to assure that outer space will be used for scientific and peaceful purposes only, and that all nations, great or small, will have equal territorial rights.

Mr. Diefenbaker went on to say:

"On May 6th, the community of nations took another step forward into the space age. On that date there was convened at United Nations Headquarters in New York the Ad Hoc Committee on the Peaceful Uses of Outer Space. This Committee, of which Canada has been appointed a member, was established by the United Nations as the means for planning international co-operation in research in the space sciences and the exploration of space....

"Canada, as a member of the United Nations Committee, will put forth every endeavour to ensure that a suitable basis for future international co-operation is developed.

"Because of Canada's geographical relationship to the magnetic pole, there are conditions of special interest in the upper atmosphere over this country which have been the subject of active research for many years. Canada can make a significant contribution. For the past 12 years there has been a major Canadian programme investigating the ionos-

phere, the aurora, meteors, cosmic and solar radiations and the geomagnetic fields.

"Since the development of high altitude rockets and artificial earth satellites, the governmental scientific agencies have initiated an expanded programme of instrumentation and research. Canadian scientists have assisted in tracking satellites and have supplied information on their trajectories to the Soviet Union, as well as to the United States. A group of chemists at McGill University have co-operated with United States' scientists in sending chemical materials up in rockets to investigate the composition of the upper atmosphere. To facilitate the tracking of high altitude vehicles at extreme ranges, a very powerful radar is being installed in Saskatchewan.

"During the International Geophysical Year, which ran from mid-1957 to the end of 1958, Canada was host to the United States IGY rocket programme at Fort Churchill. Various Canadian agencies assisted the United States rocket team. As part of the programme, two rockets carrying instruments prepared by the Canadian Armaments Research and Development Establishment were fired in November 1958. Plans exist to fire during the present year additional United States rockets with instruments provided by Canadian agencies.

"Meantime, a high altitude rocket of Canadian design is under development and it is likely to be a highly efficient research ins-

trument. Further in the future in planning is the instrumentation of a satellite by Canadian agencies for experiments conceived by Canadian scientists, and preliminary arrangements have been made with the United States National Aeronautical and Space Administration to launch such a Canadian satellite in 1961.

"Earlier this week, Prime Minister Macmillan sketched some of the intentions of the United Kingdom in the satellite field and referred to the possibility of joint action within the Commonwealth. So far as the Canadian Government is concerned, we should be glad to undertake the consultations on this question which Prime Minister Macmillan has proposed.

"I have dwelt upon the activities of Canadian scientists, both in governmental agencies and in universities, at some length because it is not always recognized that we have in Canada the scientific knowledge, the facilities and the experience to participate in the exploration of space.

"A few years ago some of the recent experiments could not even be contemplated -- much less those which now are becoming possible. I believe that Canada should maintain its status as a scientifically advanced nation and continue a sound programme of research into the phenomena of outer space.

"In this connection I wish to announce that the President of the National Research Council and the Chairman of the Defence Research Board are in process of establishing a Permanent Joint Committee on Space Research, on which other governmental agencies concerned with these matters and a number of interested universities will have representatives. One of the purposes of the Committee will be to ensure that university research teams have the opportunity to work in this field...."

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NEW CANADIAN CITIZENS

Certificates of Canadian citizenship were granted in 1958 to 84,183 people who formerly owned allegiance to other countries, a decrease of 12 per cent from the preceding year's total of 95,462, according to the Dominion Bureau of Statistics.

Just over 16 per cent or 13,556 of the persons naturalized in 1958 had formerly been citizens of Germany and 13 per cent or 11,217 had been citizens of Italy. This was slightly over the 1957 figure of 12,629 for Germany, but a little less than the 14,112 for Italy. The greater number of persons from these two countries taking out Canadian citizenship in the last two years reflects the resumption of immigration from these countries around 1951. Over 13 per cent, or 11,102 were former citizens of The Netherlands, 12 per cent or 10,235 gave a British Commonwealth country as former nationality. In 1957 the figures had been 8,645 for The Netherlands and 8,650 for British countries.

In 1958, 8,002 citizens of Poland received Canadian citizenship versus 10,081 in 1957; 5,076 from the U.S.S.R. versus 5,752; 3,871 from Estonia, Latvia, and Lithuania versus 6,189; Hungary, 1,651 versus 3,242; United States, 1,356 versus 879; and Israel, 1,314 versus 260.

Over half, 55 per cent, of the persons granted certificates in 1958 were living in Ontario compared to 58 per cent in 1957; in Quebec 16 per cent versus 19 per cent; in British Columbia 11 per cent - unchanged from the preceding year; in the Prairie Provinces 16 per cent versus 11 per cent. The Atlantic Provinces continued to be the place of residence of 1 per cent.

Only 17.5 per cent of the people granted Canadian citizenship in 1958 lived in rural areas, whereas one-third of the Canadian population live in rural areas, according to the 1956 Census. Of the 69,305 who were urban dwellers, 49,583 (71.5 per cent) lived in metropolitan centres of 100,000 population and over; 5,895 in centres of 30,000 to 99,999; and 13,827 in centres of from 1,000 to 29,999.

As in previous years, about three-fifths of the persons naturalized in 1958 were men. The total population of Canada is more evenly divided, 50.7 per cent being males. However, the 1951 Census showed that 57 per cent of the 441,490 persons owing allegiance to a country other than Canada were men, and of the million immigrants coming to Canada in the period 1950 to 1956, about 55 per cent were men.

About 81 per cent of males granted certificates of Canadian citizenship in 1958 (39,679 out of 48,718) were in the Canadian labour force. Among males in the labour force, manufacturing and mechanical operations provided employment for 28 per cent and construction industries for 14 per cent. Labourers in other than primary industries accounted for 12 per cent, professional occupations for 9 per cent, service occupations for 11 per cent, and agricultural occupations for 7 per cent. The proprietary and managerial occupations and transportation and communication occupations each accounted for 4 per cent. Among females naturalized, just over 56 per cent were homemakers.

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MR. MENZIES' VISIT

The Prime Minister of Australia and Dame Pattie Menzies, accompanied by Mrs. Green, sister of Mr. Menzies, paid a brief visit to Ottawa from May 20 to May 22. They were met at the airport by the Prime Minister of Canada and Mrs. Diefenbaker, Mr. Lionel Massey, Secretary to the Governor General, the Dean of the Diplomatic Corps, and the Commonwealth High Commissioners and their wives.

Mr. Menzies had private conversations with Prime Minister Diefenbaker during his visit and met with members of the Cabinet and the Commonwealth High Commissioners.

NATIONAL ENERGY BOARD

Mr. Gordon Churchill, the Minister of Trade and Commerce, introduced a bill on May 18 in the House of Commons, to provide for the establishment of a National Energy Board.

Mr. Churchill said in part:

"It is proposed that this Board have most of the powers now held by the Board of Transport Commissioners under the Pipe Lines Act, and those parts of the Railway Act incorporated in the Pipe Lines Act by reference.

"Whereas under the Pipe Lines Act the Board of Transport Commissioners has power to grant or withhold leave to construct pipe lines under the jurisdiction of the Parliament of Canada, the new Board in respect of applications for the construction of pipe lines would have the power to grant or withhold, subject to the approval of the Governor in Council, certificates of public convenience and necessity. It is proposed that the new measure supersede the Pipe Lines Act, and also the Exportation of Power and Fluids and Importation of Gas Act.

"The Board would exercise certain broad advisory functions ranging over the whole field of energy and sources of energy in so far as the Parliament of Canada has jurisdiction over such matters. The Board would have jurisdiction over tolls charged by all pipeline companies subject to the act, and over prices at which gas and power might be exported.

"The bill will set out, in much the same way as the present Pipe Lines Act, the general powers of pipe line companies subject to the jurisdiction of the Parliament of Canada. The bill will contain provisions for transition from arrangements under the existing statutes to corresponding new arrangements.

"These are the main elements of the proposed bill. I come now to certain points of policy which underlie the bill and which will guide the administration of the measure if approved by Parliament.

POLICY UNDERLYING BILL

"We recognize the need for and welcome capital, whether domestic or foreign, for investment in the energy and associated industries, and we believe such capital, wisely invested, should enjoy a fair and reasonable rate of return. As to what is a fair return, it is not our intention to incorporate any fixed formula in the statute. Rather, our first premise is that returns on successful investment must be sufficient to attract capital for replacement and expansion, and our second premise is that the public interest requires that no pipe line company should exploit its monopoly or quasi-monopoly position to secure returns higher than are fair and reasonable. Certain general criteria will be set forth in the bill, and their applica-

tion will be left to the fair and impartial judgement of the well-qualified men whose services on the Board we hope to obtain.

"We recognize that gas pipe lines are different from oil pipe lines, and that both are different from public utilities such as electric light and water service. Both oil and gas are subject to competition from other fuels and sources of energy, and an oil pipe line may be subject to competition in its markets by oil from other sources. There are elements of risk for both kinds of pipe line, and perhaps more risk for oil pipe lines than for gas pipe lines.

"The customer of the gas pipe line is more nearly captive in that he cannot readily turn to another source of gas. The consumer of the gas in order to use an alternative fuel must convert his equipment or replace it if his gas supply becomes uneconomic or otherwise unsatisfactory. There is therefore a clear case for regulating the returns of gas pipe line companies.

"The oil pipe line may not have the same sort of captive market. However, for some refineries one oil pipe line may be the only practical source of supply, and for many oil producers one oil pipe line is the only practical outlet to market. Therefore for practical purposes an oil pipe line is a carrier in a monopoly or quasi-monopoly position, and should be regulated as much. For somewhat different reasons, therefore, we have come to the conclusion that the returns of both oil pipe lines and gas pipe lines should be regulated, though not necessarily on the same terms or at the same level.

"While we have reached the conclusion that in the public interest there should be appropriate regulation of the returns of gas and oil pipe line companies, it is not the intention of the Government in so doing to discourage in any way the healthy and beneficial development of such companies.

"As regards the exportation of electric power and gas, the key principle will be that quantities proposed to be exported must be surplus to present and reasonably foreseeable Canadian requirements.

"In the case of electricity, it has been the policy in the past to grant only annual licences for export, so as to prevent permanent alienation of power. This remains our general policy, although some exceptions may be made in very special circumstances where the national interest would not be prejudiced by a longer term of export.

"With regard to gas, we accept the recommendation of the Borden Commission, which reads as follows:

"Having regard to the proven reserves of natural gas in Canada and to trends in the discovery and growth of reserves, the ex-

(Over)

port from Canada of natural gas, which may from time to time be surplus to the reasonable foreseeable requirements of Canada, be permitted under licence.

"It appears necessary in granting licences for the export of gas to do so for periods up to 25 years in order to make possible the financing of the pipe line facilities.

"Two governments must of course be agreed upon any such export. The first is the government of the province of origin. Until it declares gas available for removal from the province, this government can entertain no application for an export permit. After the province has declared gas surplus to its own requirements, the Government of Canada, with the recommendation of the proposed National Energy Board, must decide whether it is also surplus to the requirements of Canada and, if so, upon what terms it may be exported, including the vital and complex question of price.

"The Government of the United States, as represented by the Federal Power Commission, must also decide whether it will approve the importation of the gas, and upon what terms. This raises the difficult problem of whether we should grant an export licence before or after the Federal Power Commission grants the corresponding import permit. We are willing to work out an efficient arrangement with the United States which will satisfy our respective national requirements without hampering the mutually advantageous development of our gas industry. Our officials have already had discussion with appropriate officials of the United States State Department and the Federal Power Commission and we know from these talks that our willingness to co-operate and our desire to reach a flexible and mutually satisfactory working arrangement is reciprocated.

"With regard to oil, it is not the intention at the present time to give authority in the bill for the issuing of export or import permits. However, a section of the bill will deal with this important matter and, if approved by Parliament, will give authority to the Governor in Council to extend the application of the relevant portion of the bill to oil....

SOURCES OF ENERGY

"In the remarks which follow I should like to discuss the importance of this new industry which has developed in Canada largely within the last few years.

"Everyone is aware that we have moved into a new era in the development of sources of energy. The constantly increasing demands for electrical power have stimulated the use of most of the readily available sources of hydro-electric power. Thermal power units, based on the utilization of coal, are being constructed in increasing numbers. Rapid advance is being made in experiments leading to the harnessing of atomic power for the econo-

mic production of electricity. Side by side with these developments there has been a spectacular rise in the production and use of oil and gas and their by-products, and an equally spectacular increase in the installation of pipe lines for the gathering, long distance transmission and distribution of oil and gas and their products.

OIL

"Ten years ago when the Hon. Member for Laurier, then Minister of Transport, was speaking on this subject he estimated that the production of crude oil in Alberta was about 100,000 barrels per day; that after allowing for the Prairie Provinces' requirements of 60,000 barrels per day, there would be a surplus of 40,000 barrels for use elsewhere. He estimated total Canadian consumption at 290,000 barrels per day.

"In 1959, ten years later, we find Western Canadian crude oil production running at a rate of about 500,000 barrels per day, equivalent to roughly 2/3 of the total Canadian oil requirements. For the sixth year in a row, oil was Canada's leading mineral in 1959, its value of production exceeding \$400 million. And though our oil exports suffered a setback in 1957-58, crude oil contributed \$73 million to Canadian export income in the year 1958. This is an impressive figure when one considers that the export of crude oil to the United States began as recently as 1951, via the Interprovincial pipe line, and did not become substantial until 1955, the first full year of operation for the Trans-Mountain pipe line.

NATURAL GAS

"Parallel developments have taken place in the natural gas industry. Proven reserves of natural gas in Western Canada have increased from less than 5 trillion cubic feet in 1949 to more than 25 trillion cubic feet at the end of 1958. Net production of natural gas was 60 billion cubic feet in 1949; 336 billion in 1958. Further sharp increases can be expected to follow the recent construction of major pipe lines. Gas from northern Alberta and British Columbia started to flow to the Vancouver area and the Pacific northwestern states through the Westcoast pipe line in 1957, and the completion of the Trans-Canada pipe line in November 1958 opened the markets of Ontario and the Montreal area to western Canadian gas.

"Applications to export large quantities of gas to the western United States have now been approved by the Government of Alberta, and related applications have been filed with this Government and with the United States Federal Power Commission. Other projects looking to exports to the United States Middle West and to New York State are in preparation. One urgent reason why this Government is anxious to press ahead with the measure re-

(Continued on p. 6)

BUILDING PERMITS IN 1958

Value of building permits issued by Canadian municipalities in 1958 advanced 29 per cent to \$2,356,759,000 from \$1,827,291,000 in 1957, according to the Dominion Bureau of Statistics annual summary contained in this year's February issue of "Building Permits". Permits issued in February this year were valued at \$109,474,000, up 12.4 per cent from last year's like total of \$97,411,000.

All provinces except New Brunswick reported larger values in the year 1958 than in 1957. Totals: Newfoundland, \$18,565,000 (\$9,120,000 in 1957); Prince Edward Island, \$3,914,000 (\$855,000); Nova Scotia, \$25,721,000 (\$17,724,000); New Brunswick, \$18,725,000 (\$22,557,000); Quebec, \$491,180,000 (\$390,674,000); Ontario, \$1,097,716,000 (\$828,616,000); Manitoba, \$94,553,000 (\$74,425,000); Saskatchewan, \$83,762,000 (\$65,768,000); Alberta, \$258,409,000 (\$172,851,000); and British Columbia, \$264,214,000 (\$244,701,000).

In February smaller values in Newfoundland, Prince Edward Island, and Quebec were more than offset by larger values in the other provinces. Month's provincial totals: Newfoundland, \$78,000 (\$169,000 a year earlier); Prince Edward Island, \$77,000 (\$341,000); Nova Scotia, \$828,000 (\$286,000); New Brunswick, \$1,965,000 (\$562,000); Quebec, \$20,778,000 (\$21,439,000); Ontario, \$45,448,000 (\$44,688,000); Manitoba, \$4,007,000 (\$3,500,000); Saskatchewan, \$3,343,000 (\$1,433,000); Alberta, \$14,703,000 (\$7,709,000); and British Columbia, \$18,247,000 (\$17,284,000).

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GIFT TO THE WEST INDIES

At the inauguration ceremonies of the Federation of The West Indies in 1958, the Ministers who represented Canada informed the new Legislature that Canada wished to make a present of two clerks' tables to commemorate the occasion.

The first of these tables was presented to the House of Representatives on May 11 by Mr. R.G.C. Smith, the Commissioner for Canada, and the second will be given to the Senate in June. The tables were made in Canada of wood brought from The West Indies for the purpose and according to a design submitted by the Federal Government of The West Indies. Each table bears a silver plate indicating that it is a gift from the Parliament of Canada.

As the Prime Minister said in the House when he announced the presentation, The Canadian House of Commons bear evidence on every hand of similar presentations. He recalled that the Speaker's Chair was given to the Parliament of Canada in 1921 by the Empire Parliamentary Association, and that incorporated in it were pieces of the old oak roof of Westminster Hall, built in 1397.

Mr. Diefenbaker went on to say:

"The gifts which are being presented to The West Indies Legislature, like the gifts which repose in this House, serve as tangible reminders of the continuity and the growth in strength of parliamentary government and of the close and cordial relations which exist between the various parts of the Commonwealth."

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AN HISTORICAL EXCHANGE

Gifts of important research material were exchanged last month between the national libraries of Canada and the United States in a ceremony in Ottawa, as part of the celebrations of a national library week, observed in both countries.

The Prime Minister, Mr. Diefenbaker, on behalf of the National Library of Canada, presented a microfilm of the Baring Papers to Dr. R.P. Basler, director of the reference department of the Library of Congress. These papers, from the collection of the Public Archives of Canada, relate to the period from 1818 to 1872 and consist of 88,000 pages. They concern operations in Canada, the United States and Latin America of Baring Brothers and Co. Ltd., the old-established mercantile banking house of London, and are of great importance to the study of the economic history of the United States.

The Library of Congress presented to Canada a variety of source material relating to Lincoln. This included a microfilm of the Robert Todd Lincoln Collection of the Papers of Abraham Lincoln, a collection of more than 18,000 documents which for the most part have never been published; *The Collected Works of Abraham Lincoln*, in eight volumes, edited under the direction of Dr. Basler; a facsimile of Lincoln's scrap-book containing clippings of the famous Lincoln-Douglas debates; a reproduction of a letter from Queen Victoria to Mrs. Lincoln, dated 1865, and a catalogue of the One Hundred and Fiftieth Anniversary Exhibition in the Library of Congress.

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SHIPS TO BELGIUM

Two Algerine class coastal escorts, HMC Ships Wallaceburg and Winnipeg, now in reserve, will be transferred to Belgium under the Canadian programme of Mutual Aid to member nations of the North Atlantic Treaty Organization.

The Wallaceburg and Winnipeg, completing refit at Sydney, N.S., and Esquimalt, B.C., respectively, are being equipped and stored for transfer to the Belgian Navy. The Wallaceburg is scheduled to be turned over at Sydney on July 31 and the Winnipeg at Esquimalt on August 7.

NATIONAL ENERGY BOARD
(Continued from P. 4)

ferred to in the resolution before us is, of course, that we desire to establish with all proper speed administrative machinery for making appropriate disposition of such applications for gas export licences, in the light of government policy and in full consideration of all the interests involved.

"The great and increasing growth in gas production and transmission industries has necessarily been accomplished by a remarkable development of the gas by-product industries. Some of the by-products, in particular sulphur, natural gasoline, propane and butane, are themselves valuable. Complicated and costly plants are required to remove them. There are now in Canada 22 such plants for the processing of natural gas and recovery of by-products.

"Some export markets for propane and butane have already been developed. These markets were cut off in March when the United States oil import controls were made mandatory and extended to unfinished oil and products, but the exemption from new United States oil import controls announced on April 30 will restore access to such markets. There is good reason to hope that these natural gas liquids and sulphur will become increasingly important in our export trade.

"All this growth in production, processing and transportation to market for oil and gas and related products has required an enormous quantity of capital. In 1949 about \$90 million were invested in oil and gas exploration, production, processing, transportation and marketing facilities. For 1959 the comparable investment is estimated at \$627 million, nearly 7 times as much, and some 13½ per cent of total business capital expenditures planned for 1959 in Canada. In the decade ending in 1958 the cumulative totals were \$4.4 billion, excluding land acquisition costs.

"These figures cover only direct investment in petroleum expansion and do not take into account the secondary effects of investment in new industries based on petroleum, such as petrochemicals, or new industries supplying the oil industry, such as pipe mills. Similarly, petroleum development has created jobs for thousands of Canadians, not only those directly employed by the industry but also those working in the ancillary industries I have mentioned.

"If the development of the petroleum and related industries is to continue, still larger sums of capital must be attracted for future investment. It is our desire and intention that the climate for investment in these industries in Canada will, so far as it lies within control of this Government, be such

that this needed capital will be attracted by the prospect of fair and reasonable returns within a framework of stable and realistic government policy.

"The past decade of development in the petroleum industries, remarkable as it has been, is only a beginning. We can look forward with confidence to continuing growth in reserves, in production, in employment, in export and in the necessary investment. These prospects, of course, involve the sound utilization of energy resources, perhaps the most important material resources a nation can possess. It is to protect the national interest in the wise use of these resources, and to apply to these complicated, sensitive and vital matters the careful and consistent scrutiny they require, that we have prepared the measure contemplated in this resolution, which I now commend to the House."

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LINK WITH THE NETHERLANDS

Although a number of Canadian cities have fine displays of spring flowers, the annual tulip festival in Ottawa has become a special institution, with a strong Netherlands connection.

It began with the gift in 1946 of 100,000 tulip bulbs by the people of Holland. This handsome present was in appreciation of the hospitality shown to Princess Juliana, now Queen Juliana of The Netherlands, who with her children spent the war years in Ottawa, and of Canada's part in the liberation of Holland.

Queen Juliana herself has sent 15,000 bulbs each year, a number which is usually matched by the Associated Bulb Growers of Holland, until now Ottawa is transformed in the spring. This year over a million tulips are blooming in front of the Parliament Buildings, at the National War Memorial and along 20 miles of scenic parkway.

The festival is sponsored by the Ottawa Board of Trade and, as the displays have become larger and more widespread, tourists have been attracted not only from Canada but from the United States.

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GENERAL NORSTAD IN OTTAWA

General Laurie Norstad, Supreme Commander Allied Powers in Europe, was in Ottawa for several hours on Monday, May 18, when he briefed the Cabinet on the current situation in Europe and on NATO requirements, with particular references to Canada.

General Norstad had previously been in Montreal and Toronto.

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