



OTTAWA'S SKYLINE IS CHANGING

Extensive construction activity is changing the skyline around Confederation Square in Ottawa. Demolition is nearing completion (foreground) of the Citizenship Building where the new Human and Natural History Museum will be built, while excavation is being carried out (left centre) for construction of the Canadian Centre for the Performing Arts. In the background can be seen the National War Memorial (left) and the Chateau Laurier Hotel (right). (CP Wirephoto)

Business And Union Heads Disagree On Pay Increases

By GORDON GRANT
Canadian Press Staff Writer

The series of hefty pay raises won by workers in major industries in Canada recently is causing businessmen and union leaders to disagree over the possible effects on the economy.

Management's view is that the raises are inflationary, while union leaders claim this is not so.

Last week strikers at Massey-Ferguson Ltd. returned to work with a settlement worth about 64 cents an hour under their belts.

Other recent settlements include a 59-cent hourly package for General Motors of Canada limited workers, a 65-cent hourly package at Ford of Canada and 32-cent-an-hour settlements at Steel of Canada and Algoma Steel. Chrysler Canada is on strike and negotiations are under way.

A spokesman for Massey said rising wages could drive prices higher. He called the settlement inflationary.

ADB Research Grant Alloted To N.S., N.B.

HALIFAX (CP) — Chairman Ian M. MacKeigan of the Atlantic Development Board, announced here the federal government has approved an ADB recommendation that \$3,000,000 be provided from the Atlantic Development Fund for capital facilities for applied industrial research in Nova Scotia and New Brunswick.

An estimated \$1,750,000 will be spent on three laboratory buildings and equipment for the Nova Scotia Research Foundation.

One building, to serve as headquarters and principal laboratory, will be in Dartmouth, N. S. The others will be on the campus of the Nova Scotia Technical College at Halifax and consist of a ceramics laboratory and a timber-testing laboratory.

At Fredericton the board will finance a building and equipment for the New Brunswick Research and Productivity Council at a cost of approximately \$730,000. The equipment will cost about \$500,000.

The provincial agencies will be responsible for operating expenses.

Mr. MacKeigan said the two provincial agencies, which have operated with inadequate facilities, will supply a number of technical services for industry in the Atlantic provinces. They will also undertake research into industrial processes and new methods for utilizing resources.

Since Prince Edward Island and Newfoundland have no comparable facilities at present, arrangements had been made for the Nova Scotia and New Brunswick agencies to undertake projects for these provinces as well.

"In making the grants the Atlantic Development Board and the federal government have recognized the need to provide well-staffed and well-equipped laboratories to assist local and regional industry," the ADB chairman said.

Skunks And Cats Contribute To Spread Of Rabies In Sask.

REGINA (CP) — There's more to a skunk than sometimes meets the nostrils. "In Saskatchewan, at least, its bite has been more fatal than its distinctive attribute.

And that pathetic-looking stray cat may be a killer. Don't pick it up.

Both animals have been a factor in outbreaks of rabies in the province during the last year, said Dr. J. G. Clarkson, deputy health minister, in a statement.

Since the disease outbreak was detected a year ago 35 persons have been bitten, scratched or otherwise exposed to it. No deaths have been reported, but anti-rabies injections had to be given in each case.

Dr. Clarkson said stray cats and skunks appeared to be the chief carriers and both had spread the outbreak to cattle and other farm animals.

He cautioned residents against approaching any animal which behaves in a strange or unusual manner. Children should be warned against picking up such animals, he said.

The outbreak in Saskatchewan, which has moved westward from the border with Manitoba, has prompted Alberta officials to try to prevent the movement of skunks into the province from Saskatchewan. This work in 1965 will be undertaken with a similar project involving rats. Alberta claims to be rat-free.

The severity of the outbreak in Saskatchewan has prompted the government to initiate a rabies control program, involving 66 municipalities lying south of the border.

REPAIR QUAKE DAMAGE
ETNA TREMBLES
CATANIA, Sicily (AP) — Three sharp earth shocks caused widespread alarm but no damage Friday in villages on the lower slopes of volcanic Mount Etna. Many residents fled their homes in fear that Etna might be erupting.

Lineman 81 Still Active

IONA STATION, Ont. (CP) — James Milton's wife is looking forward to the day when her husband retires from work and settles down at home.

She doesn't know when that'll be. He's 81 now—and still is nimble enough to climb a telephone pole.

In fact, Mr. Milton is often up the pole, in his capacity as a telephone lineman and adviser to contractors in this area, 10 miles south of St. Thomas.

He has worked as a lineman since 1906. His supposed retirement took place last year when the Dunwich and Dutton Telephone System was taken over by Bell Telephone Company.

But he was promptly engaged to act as advisor to demolition contractors. "They asked me to show the contractors where the wires are, and which are to be taken down."

Mr. Milton, who uses his own truck and equipment, claims to have had only one accident in his years up the poles—and that was 26 years ago when a pole rolled and jammed his leg against a trailer.

Harry Waisglass, research director of the United Steelworkers of America, said there is a lag in wage levels in relation to productivity improvements, and the recent wage gains leave room for price reductions.

MAY RETARD EXPANSION
Karl E. Scott, president of Ford of Canada, said last week that "stubbornly unrealistic labor leadership" could retard expansion and price reductions in the automotive industry.

R. V. Yoh, president of B. F. Goodrich Canada Ltd. said demands by labor organizations have been more responsible for unemployment than any other factor.

Meanwhile, Canada's construction industry, fresh from a record-breaking 1964, shows no sign of slackening in the early going this year.

Contract awards for January totalled \$383,054,100, up 48,284,500 from the record January last year, Southern Building Guide's says.

Last year construction awards amounted to \$4,400,000,000, the first time the total surpassed \$4,000,000,000.

All four construction regions showed gains.

Ontario led with awards totaling \$193,600,000, up 26.9 per cent from January, 1964. Quebec was second with a gain of 5.1 per cent at \$100,100,000. Western Canada third with \$74,454,100, up 5 per cent, and the Atlantic region fourth with \$14,900,000, up 15.5 per cent.

REPORT EARNINGS
Elsewhere on the business scene a number of companies reported increased earnings.

British American Oil earned \$40,800,000 in 1964 compared with \$34,300,000 in 1963. Hudson's Bay oil and Gas had earnings of \$13,900,000 against \$12,231,000. Texaco earned \$3,946 a share against \$3.27.

Rothmans of Pall Mall earned \$1.36 a share in the six months ended Dec. 31, up from 79 cents earned in the same period a year ago.

Canadian Pacific Investments bought about 670,000 shares of Trans-Canada Pipe Lines Ltd., a Trans-Canada spokesman said. This brought CPT's Trans-Canada holdings to more than 1,000,000 shares, about 13 per cent of the number outstanding.

working weekly quotes one steel maker as saying. "What else can you call it when you look at our 1964 performance?"

"We produced almost 10,000,000 more ing. tons (nationally) than we did in 1955, yet we beat the 1955 shipment record by only 227,000 tons."

Steel says ingot yield, the percentage of steel melted going to users in finished form, declined for the 14th consecutive year.

"A study by Paul C. Harmon, senior economic analyst in Arco Steel Corp.'s commercial research department, shows that the industry's ingot yield has fallen steadily since 1950, when it was 74.5 per cent.

"Last year it hit a low of 69.13 per cent" on an adjusted basis.

Steel quotes one producer as saying: "We've got to buy processes and equipment that will raise our ingot yield."

Canada's Trading Figures All Appearing On Plus Side

By JAMES NELSON
OTTAWA (CP) — Year-end figures on Canada's 1964 commodity imports and exports are expected to be announced in about three weeks by the bureau of statistics.

From all indications, they are expected to tell a remarkable story.

Nearly complete statistics—totals for the first 11 months of 1964—show for instance that Canada's export balance was up a whopping 126.6 per cent over the export balance for 1963.

All down the line, import and export figures for 1964 by Canada's major trading areas are on the plus side.

Taking totals, as an example, January-November commodity imports in 1964 were \$6,835,700,000, up 13.9 per cent from the same period of 1963.

Exports totalled \$7,572,000,000, up 19.6 per cent from \$6,326,600,000 a year earlier.

Stock Sales At New York Simmer Down

NEW YORK (AP)—The stock market took a slight loss on average during the week as the pace of trading simmered down from the previous week when the list fell sharply.

The market's loss on the week was merely a loss in the Dow Jones Industrial average and The Associated Press average. Based on the number of stocks rising compared with those falling, the market was actually higher.

The Dow industrials fell 2.86 to 885.61. The AP 60-stock average was down 3 at 332.4.

Contradicting these, Standard and Poor's 500-stock index was up .04 at 86.21.

GAINERS HAVE BIG EDGE

Of 1,532 issues traded during the week, gainers outnumbered losers by the wide margin of 859 to 489.

The pace of trading slowed considerably from the previous week when the Viet Nam situation caused much uneasiness among investors.

The week's total volume was 27,988,210 shares compared with 29,694,710 the previous week.

Railways came up strong late in the week because of the new treasury rules easing depreciation to an estimated extent of \$400,000,000 to \$600,000,000 in tax returns for business this year.

Railways are expected to benefit greatly from this. Pennsylvania Railroad's stock responded with a jump of 4 1/4 to 44.

INCREASES STARTLE

In terms of the percentages, the startling increases were in exports to countries other than Canada's big trading partners, the United States and the United Kingdom. This applies both to other Commonwealth countries and to other countries generally.

This, of course, reflects the gigantic 1964 exports of wheat and grain—exports that can't be expected to continue.

Here are the 11-month trade figures with percentage changes from the January-November period of 1963 (percentages bracketed):

Trade with U.S.	Imports \$4,717,600,000 (up 15.6)
Exports \$4,047,900,000 (up 12.8)	
Trade with U.K.	Imports \$527,500,000 (up 10.0)
Exports \$1,100,900,000 (up 17.2)	
With other Commonwealth	Imports \$371,100,000 (up 2.0)
Exports \$454,600,000 (up 26.8)	
Trade with all other	Imports \$1,217,600,000 (up 13.1)
Exports \$1,968,700,000 (up 36.6)	

Steel Industry Said Facing Real Problem

CLEVELAND (AP) — One might think that everything was rosy in the American steel industry, where producers are so flooded with orders they have to allocate shipments.

But steel-makers face one growing problem that has been building up for more than a decade, Steel magazine says.

"We've got a real problem—an ingot yield crisis," the metal-



HENRY FORD II AND HIS BRIDE

Henry Ford II and his bride, the former Mrs. Maria Christina Vettore Austin, are shown as they arrive at London Airport Saturday. They were married in Washington, D.C. Friday night and left for Europe immediately after the ceremonies. The couple plan to return to the United States late next month and live at Ford's home in Grosse Pointe Farm, Michigan. (AP Wirephoto via cable from London)

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