

Fisheries discussions with Germany

Canadian and German Democratic Republic representatives met in Ottawa on September 7, 8 and 9, to discuss their future co-operation in coastal matters.

The two sides put forward proposals for an agreement on the terms and conditions that would govern continued fishing by vessels of the German Democratic Republic in areas under Canadian jurisdiction. If approved by both governments, the agreement would permit vessels of the German Democratic Republic to fish in the area concerned, under Canadian authority and control, for resources surplus to Canadian requirements. Like the agreement with Cuba, in May and with Romania, in June, it recognizes the special interest of Canada, including the needs of Canadian coastal communities, in fisheries resources in the area beyond and immediately adjacent to the Canadian 200-mile zone. It becomes the tenth agreement dealing with foreign fishing in the Canadian fishing zones.

The proposed agreement, which will now be submitted for the approval of the two governments, constitutes the first to be concluded since the establishment of diplomatic relations between Canada and the German Democratic Republic.

Spending habits reflected in GNP

The gross national product, seasonally adjusted at annual rates, increased 1.0 per cent in the second quarter to a level of \$202.6 billion, reports Statistics Canada. After adjustment for price changes, real GNP fell 0.6 per cent, making this the third quarter in the past year in which real output has declined.

The drop in real output was the result of lower personal expenditure and an increase in the deficit in the balance of trade in goods and services. These developments appear in part to be continuing responses to the abnormally-large increase in exports and the decline in the international value of the Canadian dollar that occurred in the first quarter.

The weakness in last year's second half was attributed to lower government spending as much as it was to a slowdown in investment, and for this reason it is difficult to interpret the second quarter as a stretching of last year's "pause" into a new recession. The second-quarter

decline appears more plausibly to be the result, at least in part, of the speed with which the deleterious effects of the devaluation have made themselves felt; the service deficit has already been increased by the rise in the exchange rate, and consumers' wealth and income have both been reduced in real terms by higher import prices.

Wages

Wages, salaries, and supplementary labour income increased 2.0 per cent in the second quarter. This is little more than half the average quarterly increase last year, and is also slightly lower than the first-quarter increase when the distorting effects of retroactive wage payments are removed. The slower growth was a result of decelerations in both employment and average earnings.

Gross fixed capital formation was virtually unchanged in real terms from last quarter. Fairly substantial declines in business investment in machinery and equipment and residential construction were offset by a large increase in non-residential construction, most of which took place in "engineering". Although real private investment is now almost 3 percent below its level in the second quarter of last year, there are some grounds for expecting an improvement in the second half. Assuming that the mid-year *Private and Public Investment in Canada* survey of intentions is approximately correct, there should be relatively healthy increases in investment in machinery and equipment later in the year. There was also a very slight increase in housing starts in the second quarter, which may mean higher residential construction over the next six months.

Canada's canned canoe

"Thy craft shall float by cans alone." So saith the third of ten commandments of boat construction for the first international Darwin Beer Can Regatta World Cup 1977 Competition, held at Darwin, Australia in early June. Although the craft pictured here failed to win in any event, its designers, engineers from Alcan Marine Products (of Alcan Canada), are confident that The Canadian will have overcome its difficulties by the time next year's competition is held. Nearly 800 beer cans, supplied by Molson's Brewing Company, are attached to the prototype.

Controversial theologian at McGill

Gregory Baum, the Roman Catholic scholar who made news with his resignation from the priesthood last December, will be a visiting professor in McGill's Faculty of Religious Studies this fall.

From September 1 until December 31, Professor Baum will teach an undergraduate course on contemporary Catholic studies and a graduate seminar on sociology and religion.

Professor Baum, who was a professor of theology and religious studies at St. Michael's College at the University of Toronto, was also a professor of sociology there. He is one of Canada's leading Roman Catholic scholars well known for his intellectual and popular contributions to the support of ecumenism and the broadening of the church's concern with social problems.

Born in Berlin and raised in an agnostic Jewish family, Gregory Baum came to Canada from England in 1940. He obtained his B.A. in physics and his M.A. in mathematics.

In 1942, he became a Catholic and was later ordained an Augustinian priest. After obtaining his doctorate in theology from the Swiss University of Fribourg in 1956, he was appointed to the staff of St. Michael's College in 1960 where he has remained. However, in 1969-1971 he did studies in sociology at the New School for Social Research in New York City and in 1975 was appointed to the Department of Sociology at the University of Toronto. Last December he resigned from the priesthood but remains a "committed Catholic".

