

last visited Canada expressed so clearly the Canadian view on the relationship between our countries.

"In the discussions that we will have we shall continue the search for answers to the major challenges of this generation.

"We shall start with basic and shared principles: of freedom; of the imperative need for the maintenance of unity among freedom-loving countries; of the need to strengthen NATO; of the need to maintaining the economic strength of the countries joined together in freedom, for only so long as each is strong economically can freedom be resolute; of the need of maintaining our defences while seeking disarmament and peace.

"In the weeks to come, Mr. President, you will visit other lands. I assure you that nowhere will you receive a warmer or more spontaneous welcome than here as neighbour, champion of the rights of men, ally, and continental companion."

The text of Mr. Kennedy's reply follows:

"Your Excellency, Mr. Prime Minister, Distinguished Guests, Ladies and Gentlemen:

This is my first trip away from the United States since I succeeded to the Presidency. It is fitting that I should come here to Canada, the oldest of our neighbours and among the closest of our friends.

"I am here to repay the visit I received from your distinguished Prime Minister -- to discuss the common problems which face our two nations -- and to renew those ties of friendship and partnership which have bound our two nations so closely for so many years.

"The tides of foreign affairs swiftly ebb and flow, new nations arise -- old empires vanish -- alliances come and go. But throughout it all the historic friendship of your nation and mine has stood firm. Together we have stood in war and now in this long twilight era that is neither peace nor war we must stand together even more firmly than before.

"In the effort to build a continent of economic growth and solidarity -- in an effort to build a hemisphere of freedom and hope -- in an effort to build an Atlantic Community of strength and unity of purpose -- and in an effort to build a world of lasting peace and justice -- Canada and the United States must be found, and, I am certain, will be found, standing where they have always stood; together."

CANADIAN SHIPPING POLICY

The following statement was made in the House of Commons on May 12 by Transport Minister Léon Balcer:

"Honourable Members are aware of the serious problems which have faced during the last 15 years the ship-operating and shipbuilding industries in Canada in maintaining activity and employment in both fields.

"This matter has been receiving the active consideration of the present Administration since it took office, and I wish to announce that a policy has

been determined which will be of major benefit both to our Canadian ship operators and to our Canadian shipyards. This policy is intended to make it possible for the Canadian ship operators to obtain new vessels from Canadian shipyards at reasonable and competitive prices instead of being forced to have them built abroad because of the lower construction costs that prevail in other countries. It is also intended to make it possible for the Canadian fishing industry to obtain the necessary degree of assistance to encourage it to modernize its fleet by construction of new vessels in Canadian shipyards on a basis which will still keep the costs to the Canadian fishing industry at a competitive level and halt the trend of construction of vessels for the Canadian fleet in other countries.

"Finally, the policy is intended to deal with the situation which has emerged recently in the Great Lakes trade as a result of the arrangements which have made it possible for foreign vessels of Commonwealth registry to participate in the domestic trade within this area.

"To achieve the first objectives, namely assistance to our domestic operators and our fishing industry in obtaining new vessels from Canadian yards, Parliament will be asked to provide, by way of departmental estimates, funds to assist in construction of vessels for operation of Canadian registry whether in our domestic trades, in the fishing industry or for use on the deep seas.

SHIPBUILDING SUBSIDIES

"A special capital subsidy of 35 per cent of approved costs of construction will be paid towards the construction in Canada of Canadian registry vessels, other than fishing vessels, whether for domestic or deep sea work, effective immediately. Moreover, to provide the maximum degree of incentive over approximately the next three years, this 35 per cent rate of assistance will be increased to 40 per cent for any work done between the present date and March 31, 1963. After that date the rate would be set at 35 per cent.

"With regard to the fishing industry, a capital subsidy of 50 per cent of approved costs incurred from the date of this announcement will be paid towards the cost of the construction in Canada of steel fishing trawlers in any case where the new trawler will replace one old vessel which will be withdrawn from service. In addition, the present special assistance of up to \$165 a gross ton payable towards the cost of construction in Canada of wooden fishing vessels over 45 feet in length will be increased to \$250 a gross ton.

LIMITATIONS ON PAYMENTS

"The foregoing assistance will be effective immediately, applicable to vessels now under construction and to vessels on which construction may be started hereafter. In the case of vessels now under construction, however, it is intended that the assistance would apply only to work that may actually be carried out from this day onwards and not to

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