

that 'the Federal Government is prepared to share with the provincial governments the cost of providing a programme to assist all those affected by thalidomide'.

"The fact that all the provinces are represented here today I think indicates agreement on the necessity of meeting the situation practically as well as compassionately. Some of you may perhaps have to refer our proposals to your governments but, in order that everyone may be in a position to discuss the best possible programme under these circumstances, I should now like to make clear what the Federal Government is prepared to do in common effort.

**FEDERAL PROPOSALS**

"First, we are prepared to share with each of the provinces the cost of assessment for each individual case, which would include medical, psychosocial, and economic features. In addition, we should consider the cost of essential transportation of an infant and parent as shareable under this arrangement. From the federal point of view, it is believed that this programme could be largely met through National Health Grants.

"Second, we believe that the National Health Grants could also be used, on a matching basis, for surgery, medical care, prosthetic devices and rehabilitation therapy and training, as indicated by individual assessment.

"The Federal Government would be prepared to ensure that the Health Grants programme was capable of providing this type of assistance and would undertake to make any modifications that might be required for an effective programme. Hospitalization could also be provided under the terms of our Hospital Insurance Agreements.

"These two programmes would make it possible for comprehensive health services to be provided for these unfortunate children for congenital malformations associated with thalidomide.

**MATCHING FUNDS**

"Third, we are prepared to make funds available on a matching basis through welfare grants with respect to maintenance costs and related welfare services for programmes which are considered essential to the welfare of these children.

"The federal and provincial governments have already had a good deal of experience in the setting up of programmes on a matching basis. In each instance, you are aware of the most effective approach to the health and welfare aspects of your individual situations. Our regard and acceptance of this will remain central in the present understanding.

"The provision of federal assistance towards the cost of home, foster home, or institutional care and maintenance may find us in certain situations where we have no direct responsibility. We want to feel free to share with a province half the cost where extra expenses may, in humanity's cause, be called for. I know you will understand the spirit in which it

is given when I say that such action could not in any sense establish a precedent affecting other health and welfare programmes.

"The situation we are dealing with extends beyond expenses which could be incurred in connection with a normal child. This assistance will be limited to babies with congenital malformations where the drug thalidomide has been taken by the mother during pregnancy.

"The issue before us today is a sober one and an important one. It is the earnest and sincere hope of the Dominion Government that, through full discussion, we may develop at least the beginnings of a broad and comprehensive effort to assist those who have been caught in one of those tragic by-ways of that medical and scientific progress which has been of such great benefit to Canadians and to people throughout the world."

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**AMBASSADOR TO PRAGUE**

The Secretary of State for External Affairs, Mr. Howard Green, announced on August 21 that, following agreement between the Government of Canada and the Government of The Czechoslovak Socialist Republic to give their respective legations the status of embassies, Mr. John Alexander McCordick, Canada's Minister to Czechoslovakia, had been named Ambassador.

Mr. McCordick, born in Toronto in 1915, graduated from the University of Toronto in 1938 and subsequently studied in Vienna, Heidelberg, Paris and Tallinn. After joining the Department of External Affairs in 1943, he was posted to the Soviet Union. Following the Second World War, he served in Berlin, Prague, Belgrade and Madrid as well as Ottawa and attended the Imperial Defence College in London. He was named as Minister to Czechoslovakia in June 1960.

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**U.S.-CANADA LUMBER TALKS**

Prime Minister Diefenbaker recently announced that the Canadian Government had agreed to the suggestion of the U.S. Government that representatives of the two Governments should meet in Ottawa commencing August 27 to discuss trade in lumber between the two countries.

The Canadian Government expected, Mr. Diefenbaker said, that full consideration would be given to the long history of the trade in lumber between the United States and Canada and the fact that over the years it had developed into a two-way trade that had brought great benefits to both countries. Canadian lumber was selling in the United States because Canadian producers were competitive, he added.

Canada's adverse balance of current payments with the United States has averaged about \$1,200 million annually during the past decade. If it were not for the lumber exports to the United States, this deficit would be larger, with most serious effects on the Canadian economy.