

Bulletin

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CANADA'S TRADE RELATIONS WITH THE UNITED STATES

In an address to the Canadian Business Outlook Conference in Vancouver last month, Mr. Mitchell Sharp, Secretary of State for External Affairs, described Canada's relations with the Third World and the Communist countries. His speech dealt at some length with relations between Canada's trading partners, in particular the United States, to which the following excerpt is devoted:

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...We have some impressive recent evidence that President Nixon has reflected deeply on relations between the United States and Canada, and that he understands us pretty well. Last month, when he was in Ottawa, he said it was time for both countries to recognize:

- that we have very separate identities;
- that we have significant differences;
- and that nobody's interests are furthered when these realities are obscured".

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And he had some equally perceptive things to say, you may recall, about particular issues like foreign ownership.

Why is it, then, that relations between Canada and the United States seem to have been so bedevilled in the past year? In part, I think, the bedevilment is an illusion. In all sorts of old ways, and in some important new ones, the relationship has had a good year, appearances notwithstanding. For example, President Nixon and Prime Minister Trudeau signed the Great Lakes Water Quality Control Agreement during the President's visit to Ottawa. This Agreement establishes a new framework of co-operation between the two countries. It creates a magnificent opportunity to restore the harm two neighbouring industrial societies have done to one of their most precious shared assets. I would like to think that the fresh and imaginative approach to a shared problem is representative of the relationship at its best. And yet all this was worked out over the past year or so, when many were complaining that the relation was at its worst.

If we are honest with ourselves, we will recognize also that a good deal that gets attributed in Canada to bad relations with the United States on examination turns out to be a purely Canadian problem. I must tread warily here, for I am dealing in intangibles. But it does seem to me that a part at least of the emotional steam which is generated over what are unquestionably valid problems - like how best to organize the automobile industry in North America, or how best to admit development capital to Canada - is attributable, not to the problems themselves, but to the burden of struggling endlessly in each new generation to create a successful relation between two partners of such unequal size. The burden leads to frustration, and the frustration to anger; and the anger tends to vent itself on whatever current difficulties we may be experiencing, whether they deserve the outburst or not.

Please don't misunderstand me. I am not trying

to say that problems don't exist – that it is all in our minds. I think there is an element that is in our minds. But the problems undoubtedly exist too. Whatever else did we expect? You are fully conscious, I know, of the basic elements of the relationship. Total trade between Canada and the United States exceeds \$20 billion annually. Each country is the other's best customer. Yet the United States is ten times larger than Canada in population and more than that in gross national product. *Per capita*, Canadian investment in the United States exceeds United States investment in Canada. But United States investment in Canada results in very high percentages of United States control in key sectors of the Canadian economy. Canada is obliged to struggle with all the problems created by foreign ownership of its economy on such a massive scale. For the United States, there is of course, no comparable phenomenon today – although historically, as President Nixon recognized when he spoke to Parliament – the United States has experience of the problem.

While our approach to foreign investment in general and American investment in particular, is and will remain a positive one, Canada is now in a position where Canadians can afford to be more selective about the terms on which foreign capital enters Canada.

FOREIGN TAKEOVERS POLICY

It is in the light of this determination that the Government's new policy on foreign takeovers of existing Canadian business enterprises should be understood. Canada is a growing country that needs a capital inflow if its full potential is to be developed. The need is dispersed throughout the country and is felt more strongly in the Atlantic Provinces and the Eastern half of the Province of Quebec. As a result, there is no national consensus on the terms on which foreign capital should enter Canada. Therefore, the new legislation when it is passed will not hinder the free flow of capital into capital-hungry areas and capital-hungry industries. It may impede the takeover of existing, viable Canadian enterprises.

About 17 per cent of the net annual capital inflow to Canada is used to purchase going concerns rather than to develop new industries or new units in existing industries. This kind of capital inflow may or may not be in the Canadian interest. The intention of the new legislation is to see to it that it is.

For instance, if the net effect of an American takeover is to export research and development from Canada to the United States, replace Canadian management with American management and take the enterprise out of the export market, Canada is the loser, and such a takeover would almost certainly be prevented by the new legislation. It is important to note, however, that the procedure under the new act is to be one of review and assessment, and I hope that in the vast majority of cases a process of negotiation would result in approval of the takeover

on terms which respond to Canadian interests and priorities.

No reasonable person could suggest that the proposed legislation is xenophobic or even unduly restrictive. But we are determined that foreign interests will no longer be free to buy up Canadian enterprises with a view to closing them down and substituting imports for their production or reducing their role as exporters in world markets, closing down research facilities or otherwise reducing them to branch-plant status.

In discussing foreign ownership, I have tried to point out how the problem is rooted in the economic relationship between the two countries. I have suggested that Canadians can now afford to be more selective about the terms on which they admit foreign capital into the country for the purpose of taking over Canadian enterprises. When the time and the circumstances were right, Governments in the past have acted with similar discrimination – to protect sensitive sectors like broadcasting, banking and newspapers, for example. I look upon all such measures, including the present one, as part of a continuum. So deep-rooted a problem is not going to go away. It is not going to be solved through the miraculous application of some one shot cure-all. What makes sense as a refinement or development of policy will change with time. A cool appraisal of the national interest will always serve us well on this sort of issue; strident nationalism never.

The current trade differences between the United States and Canada should be viewed in the same spirit, I suggest.

AUTO PACT SIGNIFICANCE

What is involved is not a confrontation between two opposing philosophies of trade. What is involved is not primarily a disagreement as to objectives. There is even a wide measure of agreement as to the facts. The points at issue are matters that concern in the main the working of an agreement relating to automotive trade which goes to the root of the unique economic relation between our two countries.

This is why the differences are difficult to resolve. We are dealing with the operation of multinational companies owned in the United States and producing in both the United States and Canada and supplying the North American market. How are these operations to be carried on in the most efficient manner with the fewest constraints to trade to the advantage of both countries? How is production – and thus employment opportunity – to be divided so that each of us will have his fair share?

These are the questions we have been trying to answer for many months, long before August 15 when the new economic policy of the United States was announced.

It is an important question but it does not involve a fundamental difference of principle in trade policy between Canada and the United States. It would indeed be ludicrous if there should be a serious rift

RHODESIA REJECTION OF PEARCE REPORT

The following is a statement on May 24 by the Secretary of State for External Affairs, Mr. Mitchell Sharp, on the report of Pearce Commission:

In my statement to the House of Commons of December 1, 1971, I noted that the proposed terms of a settlement for Rhodesia agreed to by British and Rhodesian representatives in Salisbury were being submitted for the consideration of the Rhodesian people as a whole by means of the Pearce Commission. Despite some of the reservations which I noted at that time, the Canadian Government did not attempt to anticipate the decision which only the people of Rhodesia, and particularly the majority of Rhodesian Africans, were qualified to make in this matter: whether the proposals represented a sufficient hope for future democratic development to compensate for the continued denial of majority government.

The Pearce Commission completed its task of seeking the views of the people of Rhodesia and has now reported that it found the proposals were not acceptable to the Rhodesian people as a whole.

It would be easy now to say that the whole Rhodesian question goes back to where it was before this exercise got under way, but in fact the clock cannot be turned back. A new political awareness

has now been created among Rhodesia's Africans. The ruling white minority has been made conscious of the strength and extent of black opposition to continued minority rule. At the same time the confidence of outside observers in the integrity and thoroughness of the Pearce Commission has been upheld. The Canadian position of waiting upon the considered views of the Rhodesian people themselves has been vindicated.

The course of events from this point on is naturally difficult to predict. The British Government, given its continuing responsibilities for Rhodesia, has made clear its intention to keep open the way for further efforts at a settlement and its hope that those concerned both inside and outside Rhodesia will not take steps which would make a settlement more difficult to achieve. I need hardly stress that any solution that is now proposed must be one which can engage the confidence of the African people of Rhodesia.

So far as Canada is concerned, we will continue to support the aim of democratic majority rule for Rhodesia. We will continue to refuse recognition to the illegal régime ruling Rhodesia. We will continue to uphold our UN obligations and will maintain in effect the existing economic sanctions.

CANADIAN BOOK STORE IN NEW YORK

Classic Little Books Inc., of Montreal will open a shop for the sale of paper back books at 572 Fifth Avenue, New York, in the near future, taking over the premises formerly occupied by Larousse International. This will be the first time in the history of North American bookselling that the Canada-U.S. boundary has been crossed by a major retailing firm.

The books on sale will include a collection of Canadian paperbacks, and customers will be able to obtain British, American and Canadian publications not in stock by means of a special-order system.

Universities and colleges in the United States that offer courses of study on Canada will have access to all Canadian paperbacks, and will also be able to place special orders on a non-returnable basis for Canadian hard-covered books.

The story of Classic Books began in 1928 in a secondhand shop in Montreal. Ten years later, the Classic Book Store moved to the heart of the city's business district, and in 1955 it opened its first branch outlet, Classic Little Books, the first paper back book shop in Canada. The Montreal store, now on three levels, is one of the largest of its kind in the world.

Classic Little Books Inc. now comprises a chain of 25 shops, in Montreal (14), Toronto (5), Winnipeg (2), Windsor, Edmonton, Halifax and Quebec City.

Plans for future expansion include additional outlets in Manhattan and a shop in London, England, as well as others in Canada.

ASTRONAUTS IN SUDBURY AGAIN

For the second time in a year, astronauts from the United States have visited Sudbury, Ontario, to study the unusual geology of the region as part of their training for lunar missions. Two of the *Apollo 17* crew members, Commander Eugene Cernan and Harrison Schmitt, pilot of the lunar module, accompanied by U.S. geologists, were in the Sudbury basin area for two days near the end of May; last July, John Young and Charles Duke, of *Apollo 16*, spent three days surveying the area, which is believed to be the site of a meteorite-impact crater containing rocks similar to those found on the moon. Scientists considered the results of last July's visit to be extremely valuable.

Young and Duke made simulated lunar walks in the Sudbury area carrying radio and sampling equipment and cameras, observing and identifying various types of rock with the help of their trainers; the two crew members of *Apollo 17*, which is scheduled for launching in December, made observations, studied the features of the terrain and examined and discussed their findings with their trainers.

TELEPHONE METER-MINDER

Hydro, gas and water utilities in Canada are keeping an interested eye on an experimental domestic meter-reading system operating in Edmonton, Alberta.

It is an eight-second operation, involving the householder's telephone, that doesn't inconvenience the home owner. One call tells all, with the system. The consumption of gas, water and electricity in a home is "read" by telephone without the meter-user being aware of the "call". A gadget in the phone is linked to other gadgets in the meters, which read off the consumption code when the utility dials.

It saves labour; whether it saves money is not yet known. The system can "read" 10,000 meters a night and the meter call bypasses the ringing bell, so the householder isn't bothered. The meter call is cut off if an outgoing call is made by the phone subscriber. Incoming calls would be delayed by the length of time it takes to read the meters - all of eight seconds. But this system is being used only at night so the interference is minimal.

The major benefit to the consumer is that he gets an accurate utility-consumption reading on a regular basis. It would end the meter man's calls and terminate the guessing games utilities must use where an accurate reading cannot be obtained. Some home owners offer meter-readers the privilege of entering their premises by leaving a key to the door if the occupant is out. It is a service that utilities are reluctant to use (and most often don't) to save embarrassment all round.

TRADE FIRST QUARTER 1972

Canada's \$170-million trade surplus in the first quarter of 1972 had decreased from \$643 million a year earlier. Exports rose in value by \$311 million, or 7.6 per cent, to \$4,383 million, of which about one-third was attributable to higher prices and two-thirds to increased volume. Imports, on the other hand, rose by \$783 million, or 22.9 per cent, to \$4,214 million, with higher prices accounting for one-fifth of the rise.

Exports of fabricated materials rose by \$136 million and end-products by \$216 million, while shipments of crude materials held steady. Strong exports among fabricated materials included lumber and other wood products, paper and paperboard, and petroleum and coal products; and among end-products included automobile products (an increase of \$133 million), aircraft, and "other equipment and tools" such as office machines and electric-lighting equipment. Weak exports among food, beverages and tobacco included grain shipments (down \$36 million). Among crude materials lower-valued shipments of rapeseed and of ores, concentrates and scrap metals

offset higher-valued sales of coal, crude petroleum and natural gas.

Imports of food, beverages and tobacco increased by \$62 million; crude materials \$76 million; fabricated materials \$138 million, and end-products \$516 million. Rising imports in the food group included meat and preparations, vegetables and sugar; in the crude material group, crude petroleum; in the fabricated materials group, wood products, textiles, chemicals, iron and steel alloys, and metal basic products; in the end-product section, automotive products (an increase of \$202 million), industrial machinery, farm machinery and tractors, communication equipment, "other equipment and tools", and personal and household goods.

The trade surplus with the United States increased \$308 million from \$237 million as export gains exceeded import gains. With Britain, the surplus dropped to \$15 million from \$141 million, as imports rose and exports fell. Trade with Japan, the European Economic Community, Latin America, Commonwealth countries, and other countries produced a \$153-million deficit compared to surpluses (with each) totalling \$264 million in the first quarter of 1971. Strong import gains and falling exports, or stable exports in the case of "other countries", accounted for the swing in the trade balances.

Seasonally-adjusted data indicated little change in exports (at \$4,559 million) from the fourth quarter of 1971. Exports to the United States increased by \$239 million but those to Britain fell by \$82 million and the rest of the world by \$130 million. However, imports at \$4,453 million were higher by \$282 million than they were in the fourth quarter. Purchases from the United States rose by \$50 million, from Britain by \$15 million, and from the rest of the world by \$219 million.

CAR-GO-RAIL PLAN

Canadian National has announced details of an experimental extension of its "car-go-rail" plan that will allow passengers to take their automobiles with them on the very trains on which they travel.

Initially, the new plan, to be known as "Auto With You", will operate only on a "through basis" between Toronto and Edmonton. It will start on June 23, when the railway's summer schedule goes into effect.

Its advantages will include delivery of the automobile to the railway on the day of departure and immediate delivery of the vehicle on arrival at destination. The automobiles will be shipped in specially equipped enclosed auto-transporters. Travellers using the plan will be required to make advance reservations.

One way cost is expected to be \$188 plus two single adult fares.

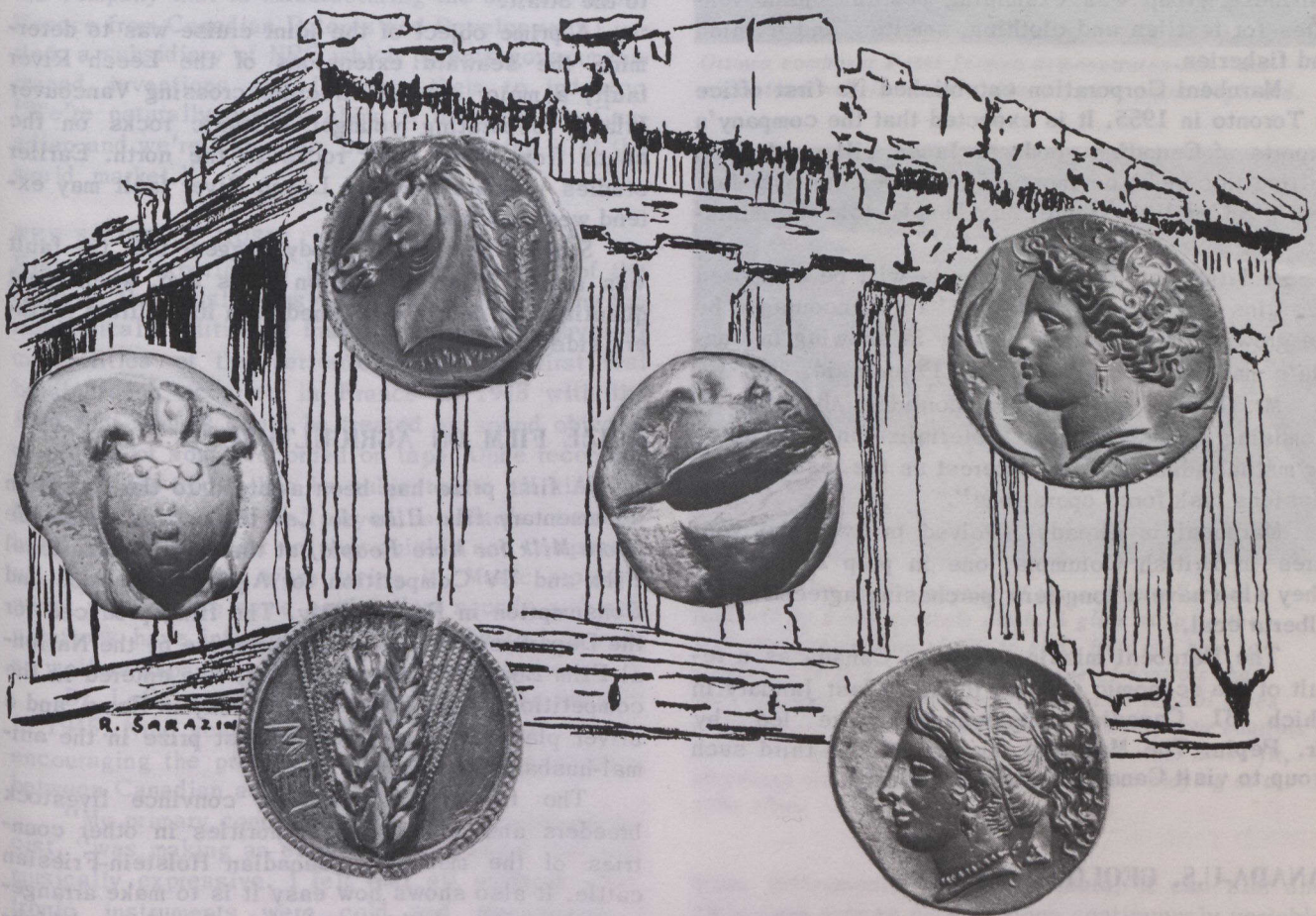
GREEK COINS AT ROYAL ONTARIO MUSEUM

An important collection of Greek coins is now on view at the Royal Ontario Museum in Toronto. The display, comprising 561 coins out of a total collection of 1,600, is representative of various Greek cities and colonies of antiquity on the Mediterranean. Most of the pieces are silver.

These coins, which were all hand-struck between 660 B.C. and Roman times, are works of art. Engravers of coin dies were often very skilled artists and the coins of some cities, such as Syracuse, bore the

names of the artists. A series of magnified photos clearly shows the craftsmanship of the engravers.

Among the collection are two coins from Aegina, the first city of Greece proper to issue coins. Aegina's civic badge was the turtle, the emblem of the local goddess Aphrodite Urania, which can clearly be seen on the front or obverse side of the coin. A chisel-cut on the second coin shows that someone was sceptical of the goddess's guarantee that the silver was pure right through.



Stater from Aegina. Sea-turtle. About 550-456 B.C. (Extreme left)

Tetradrachm (4-drachma piece) of Carthaginian origin, from Sicily. About 410-310 B.C. (Top left)

Stater from Metapontum in Lucania, Southern Italy. Ear of barley. About 550-480 B.C. (Bottom left)

Stater (20-drachma piece) of Aegina. Chisel-cut clearly shown. About 650-600 B.C. (Centre)

Silver dekadrachm (110-drachma piece) from the Greek colony of Syracuse, Sicily, dating from about 395-370 B.C. Head of Persephone (Top right)

Drachm of Corinth. Head of Aphrodite 350-338 B.C. (Bottom right)

EXPECTED EXPORT-INCREASE TO JAPAN

An additional \$30-million worth of exports to Japan is expected to follow a visit to Canada by a ten-member mission from the Marubeni Corporation, one of Japan's largest trading companies, Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, said recently.

The mission, led by Tomejiro Tanaka, a director, executive officer and special assistant to the chairman of Marubeni, is interested in pollution-control equipment, equipment for the uranium industry, parts and components for various industrial uses metals, marine products, food and pulp and paper.

"Mr. Tanaka told me that owing to increased trade and anticipated developments resulting from the mission, Marubeni proposes to add to its Canadian staff," the Minister said. He added that the Japanese group was examining possible joint ventures for textiles and clothing, smelting and refining and fisheries.

Marubeni Corporation established its first office in Toronto in 1955. It is expected that the company's exports of Canadian goods to Japan will reach \$135 million this year, an increase of 67 percent over last year's \$82-million figure, Mr. Tanaka told the Minister.

A large part of these exports will be composed of grains and raw materials but "I am encouraged by the growing interest the company is showing in Canada's manufactured goods", Mr. Pepin said.

Mr. Tanaka said he was confident that several promising projects would "materialize in due course for mutual advantage and interest as the result of our missions task force operations".

Marubeni is already involved in two joint ventures in British Columbia, one in pulp and paper. They also have a long-term purchasing agreement for Alberta coal.

The Marubeni mission came to Canada as a result of the economic mission to Japan last January in which 31 Canadian businessmen were led by Mr. Pepin. The Marubeni mission is the third such group to visit Canada since last January.

CANADA-U.S. GEOLOGY SURVEY

A joint marine geological study in the Strait of Juan de Fuca off the shores of the Province of British Columbia and the State of Washington was made recently by scientists of the Geological Survey of Canada, Department of Energy, Mines and Resources, and the U.S. Geological Survey, Department of the Interior.

According to the Director of the Canadian Geological Survey, Dr. Y.O. Fortier, and the Director of its U.S. counterpart, Dr. C.E. McKelvey, the project, a geological and geophysical cruise from May 21 to

June 4 aboard the 250-foot Canadian Research Vessel *Parizeau* was undertaken to gain greater knowledge of the geological framework beneath the Strait. "As geology does not respect political boundaries," Dr. Fortier said, "co-operation between the Canadian and the U.S. geological surveys is important in finding answers to pressing geological problems relating to Vancouver Island and our continental shelves. The geological structure which will be determined under an international body of water should provide many clues to the history of this complex area."

Dr. McKelvey said that the information gained from the study would be of utmost importance to geologists concerned with the evolution and development of the Olympic Peninsula and Vancouver Island, and that the results would contribute measurably to a better understanding of the marine-resources potential and to environmental geological problems adjacent to the Strait.

A prime object of the joint cruise was to determine the seaward extensions of the Leech River fault, a major crustal structure crossing Vancouver Island, separating younger volcanic rocks on the south from much older rocks to the north. Earlier studies indicate that the Leech River fault may extend west of Cape Flattery.

Studies by the U.S. body suggest that the fault was active 35 to 40 million years ago, when great quantities of debris were shed from its uplifted northern side into the sea.

PRIZE FILM ON AGRICULTURE

A first prize has been awarded to the Canadian documentary film *Plus de Lait Pour Plus de Monde (More Milk for More People)* at the third International Film and TV Competition for Agriculture, Food and Consumption in Padua, Italy. The film, produced for the Department of Trade and Commerce by the National Film Board of Canada in 1965, was entered in the competition by the Canadian Embassy in Rome, and a silver plaque was awarded as first prize in the animal-husbandry category.

The film is designed to convince livestock breeders and government authorities in other countries of the merits of Canadian Holstein-Friesian cattle. It also shows how easy it is to make arrangements to buy and ship cattle from Canada, and highlights the assistance provided by the Canadian Department of Industry, Trade and Commerce, the Holstein-Friesian Association of Canada and reliable Canadian exporters.

It has received wide distribution through Canada's Trade Commissioner posts abroad and requests for its showing are still being received seven years after it was produced. Sound-tracks are available in English, French, Spanish, Japanese, German, Italian and Portuguese.

MUSIC FOR THE SPACE AGE

It's the only one of its kind. It slurs, it slides; it's classical, jazz and rock; it can sound like an ancient reed instrument, a medieval stringed instrument, or a space ship travelling through the atmosphere. It's called the sackbut and it's destroying the limitations of all previous keyboard instruments.

Invented by Dr. Hugh LeCaine of the National Research Council of Canada's Radio and Electrical Engineering Division, this electronic monophonic instrument places continuity of pitch, intensity and tone colour within fingertip reach on a keyboard the size of a small electric organ.

"It's a superb instrument," says Dave Wilson, president and founder of Dayrand Limited, Montreal, the company that is manufacturing the sackbut under licence from Canadian Patents and Development Limited, a subsidiary of NRC which patents government-owned inventions and licenses them to industry. "We're naturally excited about it because it's Canadian and we're Canadian, but we're aiming it at the world market."

NEW SOUND OF MUSIC

Electronic experiments began about the turn of the century. Previously, music-making was limited by the mechanical qualities of instruments and the physical capabilities of the performers. But the first real breakthrough occurred in France in 1948 with the idea that sounds could be treated as sound objects, or pieces of sound recorded on tape. Once recorded, these pieces could then be subjected to all kinds of treatment - speeded up, played backwards or cut in half. The idea caught on very quickly and composers all over the world were trying it. Music probably never will be the same again. New sounds and new notations have influenced modern orchestral scoring as well as expanding the field of electronic music.

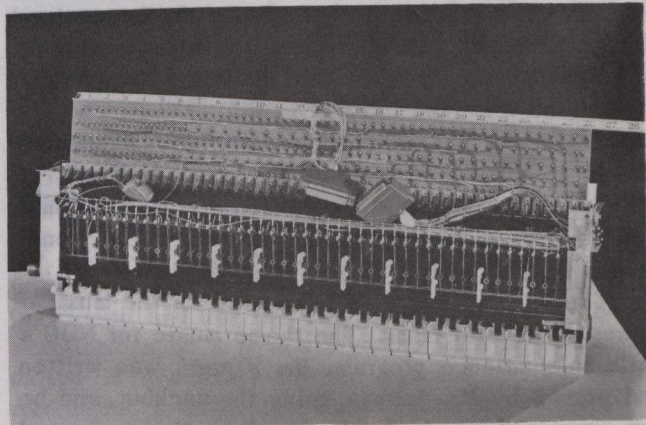
Dr. LeCaine began work privately on the sackbut in 1945. Nine years later, NRC entered the picture, encouraging the project as a form of communication between Canadian artists and scientists.

"My primary concern," says the musician-physicist, "was making an electronic instrument that was musically expressive. I felt that all previous electronic instruments were cold and mechanical. I thought that we must have some means of controlling the sound in an artistic way."

Dr. LeCaine has achieved just that. The sackbut is extremely sensitive to the touch, so that the emotion and musical expression of the instrumentalist becomes very important. A composer can "externalize" his musical ideas through the keyboard, communicating changes in mood and feeling directly and continuously. As a monophonic instrument, the sackbut plays only a single note at a time. But unlike



Ottawa composer Peter Jermy demonstrates the "one-note-at-a-time" instrument that uses the piano keyboard.



Close up view of the interior of the sackbut. Vertical pressure on a key controls pitch. A glide strip on the keyboard enables the player to glide from one note to another. The free hand operates several controls that vary the wave forms, timbre, etc. Another control gives an effect similar to a muted trumpet. Twenty-four controls can create repetitive patterns into which other notes fit, producing the effect of more than one note playing at the same time.

other instruments with a keyboard, it can slur and slide from note to note, produce continuously variable sounds in real time and constantly adjust tone, colour and pitch. It has definite uses as a part of musical groups - rock bands, classical or jazz groups or an electronic group. It can adapt virtually to every kind of music. In addition, the sackbut does not go out of tune from heat affecting voltage circuits. It is a great deal smaller, more compact, less temperamental and cheaper than many synthesizers (instruments consisting solely of electronic sound generators with tone modifiers and other controls). With the

sackbut, the player does not have to stop to rearrange electrical cords to control the sound.

SPECIAL FEATURE

Perhaps the sackbut's best feature, according to musicians who have played it, is the way in which a player can make a note louder by pressing the key harder or make it waiver (vibrato) with a sideward movement of the finger. Twenty-four controls can break up and bend notes, creating repetitive patterns into which other notes fit, producing the effect of more than one note playing at the same time.

Says Peter Jermyn, Ottawa composer and arranger: "It's the sort of instrument I've always been looking for. It's not really a synthesizer, but it can do things a giant synthesizer is incapable of, at a fraction of the cost and in a portable framework."

Initially, a small number of machines will be produced by Dayrand, selling for about \$2,500 each (the cost of large synthesizers start at about \$8,000 each).

"This is a conservative approach," says Mr. Wilson, "but it's more of a sampler to determine whether changes will have to be made for marketability. Signs are promising for its acceptance. To date a number of studios and individual musicians have shown a marked interest in it."

Engineers and scientists also have expressed interest. The NRC prototype was featured at Stereo '72 in Montreal, at Toronto's International Electronic Exposition, at the Canadian Electronic Design Display and at Stereo '72 in Ottawa.

The sackbut has also been used for the musical scores of several films. The theme music for NBC's children's science program, *Mr. Wizard*, was written and played by Mr. Jermyn using the sackbut, and he has composed an electronic symphony that was used to form part of an audio-visual show at Place Bell Canada in Ottawa. Mr. Jermyn is working on the sound track for a forthcoming National Film Board movie.

"The future of electronic music is unlimited," he says.

LABOUR FORCE

The seasonally-adjusted unemployment rate in Canada decreased to 5.8 in April from 6.0 in March. The seasonally-adjusted labour force, employment and unemployment levels declined. On an adjusted basis, the month-to-month fluctuation in the size of the labour force was large, as has been the case in recent months.

There was a gain of 19,000, which was smaller than usual, in the actual size of the labour force from March through April. There were less-than-usual increases for persons 14 to 24 years old and men 25 and over. There was a decrease for women 25 and

over, whereas there is usually an increase between these months.

The actual number of employed persons increased to 8,085,000 in April from 8,016,000 in March, an increase which was less than average for this time of year.

The unadjusted unemployment rate, representing actual unemployment as a percentage of the labour force, fell to 6.8 in April from 7.4 in March. There were 592,000 unemployed persons in April. Compared to that of a year ago, the labour force was up 281,000 (3.3 per cent); employment was up 348,000 (4.5 per cent); and unemployment was down by 67,000.

CANADA'S TRADE RELATIONS WITH THE UNITED STATES

(Continued from P. 2)

in relations because of the difficulty in reaching agreement about the future of the automotive agreement which has been so beneficial to both sides.

Such a rift would be all the more regrettable when the Government has made plain that Canada understands and sympathizes with the United States Administration in its desire to correct certain fundamental imbalances in international monetary and trade relations. Canada made its contribution to the correction of some of these imbalances, for example, by floating the Canadian dollar and by advancing tariff reductions under the Kennedy Round many months before the United States announced its new economic policy. The Government was prepared to go further. It made an offer to the United States Government. Each side has agreed to review its position with a view to re-opening negotiations, although so far as the Government is concerned, it has no apology to make for its earlier offer - a fair one which the United States rejected.

These renewed negotiations between Canada and the United States will be only a part of the search for further liberalization of international trade, a search in which Canada would wish to see all of the world's trading nations engaged, even as they seek to protect their own essential economic interests.

In this endeavour, the whole trading world will be looking to the United States for responsible and effective leadership. Recent statements by President Nixon suggest that longer-term United States economic interests call for the pursuit of the objectives of freer international trade and capital investment and for an orderly and effective international trading and monetary system, reformed and adapted to the new international situation.

And this suggests that the United States, far from turning inward, is reasserting its leadership responsibilities and charting a course for future trade liberalization that serves its own interests and those of all trading nations. In the pursuit of such policies the United States can be assured of Canadian support.