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Late news

As this issue went to press, Finance Minister Crosbie announced ahead of schedule the details of a federal mortgage interest tax credit plan. The plan, which will be phased in over four years, will provide homeowners with a tax credit of 25 per cent of interest payments up to a limit of \$5,000 of such interest payments for a maximum tax credit of \$1,250. A property tax credit plan provides a credit of 25 per cent of \$1,000 of taxes or \$250 per homeowner.

Preparations under way for Government's first budget

The Government intends to proceed with mortgage interest and property tax deductibility, stated John Crosbie in his first major speech since becoming Canada's Minister of Finance on June 4.

In an address to the national economic conference of the Financial Times of Canada in Toronto, September 5, he also promised that the struggle against inflation would be a "primary concern and the criteria against which proposed fiscal measures will be judged".

While Mr. Crosbie dealt generally with the economic situation in Canada and with the outlook for next year, his "best material" he said, would be saved for the budget, which would be presented to the House of Commons later in the autumn.

Passages from the Finance Minister's address follow:

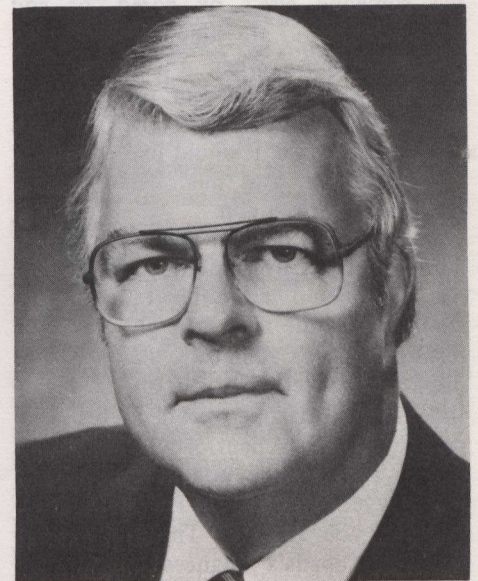
...We believe that, for the remainder of the year, Canada's economy will be affected by a general international slowing in the rate of growth of output, mainly due to U.S. conditions and the last increase in world oil prices.

During 1979, while business investment, consumer spending and inventory rebuilding will all increase and provide an expansionary push, all other areas will make only marginal contributions to growth or will actually decline. Residential housing starts will decline for the third consecutive year.

A large rise in imports will reduce the trade surplus to \$2.1 billion, and with a further increase in the deficit on the non-merchandise account the Canadian current account deficit will increase from \$5.3 billion in 1978 to just over \$7 billion this year.

Oil supply disruptions early in 1979 and OPEC crude price increases are increasing international inflation rates and depressing real growth. The official forecast in the United States now calls for real growth next year of only 1 per cent.

Here in Canada private sector forecasts for our performance cover a considerable range of real growth expectations and are changing from month to month. In July, the Conference Board in Canada projected real growth of 1.5 per cent for next year. In that same month, Data Resources Incorporated of Canada fore-



Finance Minister John Crosbie

cast 4 percent growth. In this month, with different assumptions about fiscal policy and domestic oil pricing, they have revised that to 2.7 per cent.

Next year's performance will be affected by energy price decisions that we will take, by our expenditure levels, and by the measures I will be announcing in the budget. For these reasons our own Government forecasts still remain tentative but it is already clear that the 3.6 percent real growth assumption that underlay the June fiscal projections released

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in mid-summer is high. The final figure will likely be under 3 per cent.

* * * *

Reliance on private industry

Several themes emerge from our mandate. We will build on Canada's potential, through policies directed towards energy self-sufficiency and through increased attention to regional strengths and small business. We will achieve a better rate of economic growth through increased reliance on the private sector. We will restrain government spending and increase government efficiency with public sector reductions, sunset laws and "privatizations".

It has become clear that many Canadians realize the need for restraint in government spending, but while that need has been accepted, and was expressed at the ballot box on May 22, I am not sure that individuals have thought through precisely what restraint may mean to them.

There is no shortage, unfortunately, of Canadians who are "ready, aye, ready" to see someone else's ox gored, or cod gutted, but who are suddenly and vigorously protective when it comes to the possibility of cutbacks or restraint programs that affect them directly. If there is one message that I would like to deliver to you today it is this: *When we say restraint, we mean you.*

...There has been considerable talk of stimulus. The Government since May 22, has considered at Cabinet level that stimulus and the form it might take. The results of that Cabinet discussion will be disclosed budget night but in the meantime it is clear that we are in the same position as the client who consulted a lawyer and said he was seeking justice. The lawyer asked him, "How much justice can you afford?" That is the position of Canada's finances. How much stimulus can we afford?

Deficit-reduction goal

Again I will give an answer on budget night, but I want you to know today that the stimulus I believe in comes from a deficit that is reduced as quickly as possible. I believe in stimulus from a private sector that has a climate of fiscal stability and encouragement in which to plan and build. And I believe in stimulus from the profits you will make and we will share.

...It would be irresponsible economically to decree sudden and violent

changes in the fiscal climate, particularly with our current account and inflation problems. It would also be irresponsible socially, because the fact is that the only way to eliminate overnight an \$11-billion deficit is to make deep and radical cuts in social programs that are needed by Canadians. We cannot suddenly remove support networks on which hundreds of thousands of Canadians depend for sustenance. There will not be any such deep and radical cuts.

* * * *

Private productivity

Although government can help steady the economy on occasion, basically we feed from it, not to it. We print money — but only as long as we print it in appropriately limited quantity is the value supported by private productivity.

We spend money — but the supply of it comes *only* from present and future earnings of productive enterprise.

In social policy, government is challenged by the opportunity and the obligation to use the benefit of that economy, its richness, to protect the less fortunate — the poor, the sick, the elderly. That we do and will continue to do.

We provide aid on a medium-term basis for selected economic sectors. We can and will encourage small business, stimulate research and development, and pay particular attention to underdeveloped areas of the country. We can and will reward entrepreneurial skills. We can use our strength in some areas — natural resources, for example — as a springboard for sectors where we have been traditionally less successful.

All that and more government can do. But it cannot create wealth. The private sector creates wealth and we intend as a government to let you get on with the job. We cannot continue the economic philosophy of supporting the unsupported; of propping up economically non-viable projects with government money, in the hope that a miracle will occur and one day they will survive on their own. Orchids can always be raised in a greenhouse; we cannot afford orchids that die as soon as the greenhouse is removed.

We intend to create a climate of confidence and stability through commonsense measures on the part of the Government in Ottawa, with the co-operation of, and upon consultation with, the provinces.

Energy self-sufficiency

A current example is in the field of energy. Our goal in national energy policy is to achieve energy self-sufficiency by the year 1990. As a Government and as a nation we cannot continue at the mercy of external forces that could cripple us by cutting off supplies of imported oil.

Measuring all energy sources against demand, we are now, in fact, self-sufficient in energy. We are not self-sufficient in terms of domestic distribution, and we are not self-sufficient in oil. We will have to develop both our frontier areas and the heavy oil and tar sands.

A large part of the reason for those supply and distribution problems is price. Canada is now the only industrialized nation in the world other than the U.S. that is not experiencing and living with world prices for crude oil. West Germany, Japan, the United Kingdom, France, Italy and all others, except the United States and ourselves, have absorbed those prices and are functioning with them. Even the United States is now rapidly moving towards world prices, and will be there by the end of 1981.

...It is all too plain that while we may be able to remain slightly behind U.S. prices for competitive purposes, we cannot achieve energy self-sufficiency by the end of the next decade unless we accept more rapid increases towards world oil price levels.

If we accept that, then the next problem is implementing that decision. The problem is complicated both by our Constitution and by the fact that our energy resources are, so far at least, concentrated in one area of the country. A rapid increase in price distorts regional income distribution. It has severe effects on lower and lower middle income groups.

But despite these effects there is no doubt that Alberta, as all provinces do, should receive the value of its resources.

It is our belief that we have found a reasonable solution to this dilemma. We are discussing this now with the provinces and the industry. But that solution, if achieved, must be based on a shared national desire to overcome the problems posed by constitutional jurisdiction and the inequalities of geography and regional income distribution. Only time will tell if that national desire exists.

* * * *

Our forecasts are not written in stone.

(Continued on P. 8)

EC official visits Canada

The Vice-President and Commissioner (Social Affairs) of the Commission of the European Communities, Henk Vredeling visited Canada, September 3-7. He was accompanied by his Chef de Cabinet, Nel Barendregt, and by the principal administrator of Directorate General V, Social Affairs of the European Communities, Axel Bunz.

Mr. Vredeling met with the Secretary of State for External Affairs Flora MacDonald and the Minister of Employment and Immigration, Ronald Atkey. He also held discussions with the Minister of Industry, Trade and Commerce, Robert de Cotret, the Minister of Labour, Lincoln Alexander, and the Minister of State for Small Business and Industry, Ronald Huntington.

In addition, Mr. Vredeling met with other government representatives and spoke with staff of the Canadian Centre for Occupational Health and Safety about the possibility of exchanging information between that organization and the European Communities. Mr. Vredeling ended his visit in Toronto, where he toured a job-creation centre and a local industrial plant.

Canada/U.S. discuss West Coast fisheries problems

Canadian and U.S. officials met in Ottawa September 12 to discuss the problem of albacore tuna and related West Coast fisheries.

The talks were part of an ongoing series of discussions on fisheries issues on the West Coast of concern to the two governments. The two sides examined the possibility of reaching agreement for the 1979 tuna fishing season but decided that because of the short time remaining in the season it would not be feasible to do so.

The possibility of developing mutually acceptable fisheries arrangements next year, including access for U.S. tuna fishermen to albacore tuna in the Canadian 200-mile zone was discussed. Although no immediate solution was found, progress was made in clarifying the issues and in identifying possible avenues for future co-operation, both bilaterally and in continuing multilateral discussions on the management of tuna resources in the

Eastern Pacific Ocean. Government officials of both countries plan to meet again after they have had an opportunity to consult with fisheries interests on the West Coast.

The Canadian delegation was headed by Ambassador Marcel Cadieux, Special Negotiator for Canada/U.S. Maritime Boundaries and Related Resource Matters, and consisted of officials of the Departments of External Affairs and Fisheries and Oceans.

The U.S. delegation was headed by Ambassador John Negroponte, Deputy Assistant Secretary of State for Oceans and Fisheries, accompanied by officials of the Department of State, the National Oceanic and Atmospheric Administration, the Pacific Regional Fisheries Management Council and the State of Washington Department of Fisheries.

Delegation attends UN meeting

Canada was represented at the United Nations Conference on Science and Technology (UNCSTED) held in Vienna, August 20-31. Over 100 countries, which had been preparing for the conference for more than two years, were expected to send representatives to the international meeting.

The objective of the conference was to propose a set of practical measures for promoting maximum use of scientific and technical resources for development purposes, particularly to meet the needs of the developing countries.

The conference centred on the following themes:

- the role of science and technology in development, and the elimination of obstacles to their optimum utilization;
- institutional arrangements and new forms of international co-operation that might promote better application of science and technology;
- means of improving the use of the United Nations system;
- science, technology and the future.

The Canadian delegation, consisting of representatives from both the public and private sectors, was headed by Martial Asselin, Minister of State for the Canadian International Development Agency. James G. Harris, director general, Bureau of Development, Industry and Science Relations, Department of External Affairs, was deputy head of the delegation.

Oil export surplus to be assessed every month

The National Energy Board (NEB) will revert to a monthly determination of the surplus of Canadian crude oil available for export. United States authorities have already been notified of the decision which will take effect for export in October, Energy, Mines and Resources Minister Ray Hnatyshyn said.

He added that Canada was facing a situation of tight supply. Domestic demand for oil products, particularly motor gasoline, has risen this year more than had been anticipated, at a time when some supplies of crude oil previously imported were no longer available. Production from western Canada has been very close to maximum producibility. Total supply is now significantly dependent upon the operating levels of the two synthetic crude oil plants in Alberta.

Mr. Hnatyshyn said that "with the approach of peak seasonal demand, the NEB has concluded that in the circumstances, light crude exports cannot be licensed throughout the fourth quarter of the year at the present rate of 55,000 barrels a day", a level established last January but subject to continuous review since then. Under current legislation, only oil surplus to foreseeable needs for use in Canada may be exported.

Canadian refiners' demand for light domestic crude oil is also likely to be influenced by their need to rebuild inventories which have been reduced over the past year and also by the increase in the capacity of the Interprovincial Lakehead pipeline of some 65,000 barrels a day into Ontario, which is expected to be available in November. Although precise programs have yet to be laid out, it seems probable that demand in peak winter months will preclude light crude exports, said Mr. Hnatyshyn.

The Minister pointed out that "despite curtailment of the export level, Canadian crude could continue to flow to refiners in the northern tier of the United States through appropriate commercial oil swaps". Detailed discussions with United States officials of the change in export circumstances would take place promptly, he said. These will cover also the consideration being given to the inclusion of Canadian heavy crude oil in the existing range of oil exchanges with the United States.

Canada at Texas State Fair

Canada Week, described as a festival of Canadian life and culture, will be held in Dallas, October 7-13, with Canada participating as a featured country in the State Fair of Texas, October 5-21.

Each year, more than a million people attend the fair, which is said to be the largest of its type in the world.

In keeping with the theme "Salute to Good Neighbours", October 7 has been designated Canada Day, when the Canadian flag will fly over the site all day and a special "Salute to Canada" pageant will be held in the Cotton Bowl. A fireworks display, including a symbol of each province and a Canadian flag, will end the day's events.

Canadian exhibits to be presented at the fair include: *Energy: The Canadian Experience* (world première); *Vision '79: Canada: History Through Architecture*; and *Canada Naturally/Le Canada, naturellement*.

"Through our Canada Week activities, we hope to have Dallasites talking about Canadian films, music, photography, art, architecture, traditions and history," said Canadian Consul B. Douglas Valentine, who is co-ordinating the week's activities.

Dr. Arthur Moore, Chancellor of the University of Toronto and past Moderator of the United Church of Canada, will officiate at a celebration of the one-hundredth anniversary of Canadian Thanksgiving at Thanks-Giving Square, October 8. A concert of sacred music by



Canadian composer Healy William will also be presented in honour of the centenary of his birth.

Mayor Robert S. Folsom of Dallas will officially proclaim Canada Week on October 10. Canadian children's books will be presented to the Dallas Public Library; there will also be a gift of books from the Canada Council to the University of Texas' Arlington Library, encouraging international education.

Maple Sugar, the popular Canadian folk group will perform at the fairgrounds and at various locations throughout the week, sponsored by the State Fair, Air Canada and the Canadian Consulate. Dallas radio station KERA will feature the *Sounds of Canada* on October 13.

Other events to be held during the week include: Canadian Film Weekend, Meadows School of the Arts Cinematheque (Southern Methodist University); Between Friends/Entre amis, Photographic Exhibit (One Main Place); Structure Photographic Exhibit (Allen Street Gallery); Perspectives of Childhood Photographic Exhibit (Union Station); and Houses of Parliament Architectural Exhibit (University of Texas, Arlington Library).



Folk group, Maple Sugar, will entertain Dallas residents as part of the week's activities.

Canadian delegation welcomed in China as tribute to Bethune

Crowds lined the streets of Shijiazhuang recently, welcoming the first Canadian parliamentary delegation to visit China.

The welcome was a tribute to Dr. Norman Bethune the Canadian surgeon and Communist who died near there in 1939, helping the Chinese Communists resist the Japanese invaders. He has long been a hero and a legend in China, particularly in that city of 850,000 people, situated about 190 miles southwest of Peking.

Plans were laid for special ceremonies marking the fortieth anniversary of the death of the man from Ontario, immortalized in China by the essay written on his death by the late Chairman Mao Tse-tung.

Dr. Bethune was in China only about 23 months but his death, from blood poisoning while acting as battle front surgeon and medical services organizer, was the focal point of the Canadian visit which began September 11.

There was the placing of a wreath at the Bethune tomb, a tour of the Hall of Martyrs, which houses Bethune memorabilia, and the exchange of toasts at a reception and traditional multi-course Chinese banquet. There are two large Bethune statues in the area in the mould of classic Communist art.

Senator Jacques Flynn, federal Justice Minister and Government leader in the Senate, said at a Chinese dinner that Dr. Bethune was ahead of his time in his work for the Chinese against Japan that cost him his life. But Canadians had shared his support for China, he said.

Canada has a special place in Shijiazhuang, said chairman Liu Zihou of the Hebei provincial revolutionary committee, the provincial government.

A Canadian delegation was invited to the fortieth anniversary where events included mass rallies, plays, exhibitions and films.

Canada in 1972 officially recognized Dr. Bethune, who contributed various procedures to medical science, including effective blood transfusions.

The Canadian delegation led by Speaker of the Senate, Renaude Lapointe, and the House of Commons Speaker, James Jerome, also visited Shanghai, Hangchow and Canton before leaving September 17 for Hong Kong and home.

News of the arts

Oil spill clean-up zooms ahead with new equipment

Harm to bird, animal and marine life from oil spills may be largely averted with the use of a self-inflating ZOOM boom and disc oil skimmers made by Bennett Pollution Controls Limited of Vancouver.

Bennett devised the remarkably effective ZOOM following a massive clean-up after the devastating oil spill off the coast of Santa Barbara, California in 1969, for which he was the prime contractor.

The compact, light equipment needs only 10 per cent of the storage space of conventional oil spill containment booms. Simple tension causes it to inflate, without the use of air compressors or gas cylinders; while deflated, large quantities may be easily packed into aircraft and delivered quickly to the spill area.

The new skimmers are also designed to save space. The MI 30 model, for example, 1,270 mm (50 inches) high, can recover 30 tonnes an hour of floating oil with a water content of only 2 per cent. They operate in debris, since waves do not affect them and they function on the principle that while oil will stick to their rotating discs, water will not. Although this principle is not new, the skimmers have several unusual features, including linear disc shifts in a triangular con-



The ZOOM boom is packed in compact casing that releases miles of fencing to trap and contain an oil spill. Disc oil skimmers recover the oil before it can do any harm.

figuration, each with its own drive motor. Another advantage is the positive displacement pump that is built into the skimmer, eliminating the suction-lift restrictions of skimmers that use separate pumps.

clude anything from new products to the establishment of a first-time quality control facility to enable the firm to reduce costs from returned or rejected products. Electric engineering firms with less than 25 employees dominate the program with mechanical (machinery and metal fabricating) companies close behind.

Tourism bargaining in Montreal

Buyers and sellers of tourism from many parts of the world met in Montreal recently in a government-sponsored marketplace that is expected to bring Canada's tourism industry \$40-million worth of new business.

The event was the third annual Rendez-vous Canada, sponsored by the Canadian Government Office of Tourism (CGOT) and provincial, territorial and municipal governments in co-operation with private industry.

The five-day meeting brought together Canadian sellers of tourism products and services — representatives of governments, carriers, hotels and outfitters — with the buyers, foreign marketers of tourism to Canada from major world markets.

Computer matched participants

They were paired off by computer for bargaining on a trading floor area where strict confidentiality was maintained between the buyer and seller by restricting floor access to all but registered delegates. In this confidential atmosphere, pre-arranged meetings matched Canadian products and services to the market needs of the foreign buyers with resulting sales reaching millions of dollars.

The first Rendez-vous in Toronto in 1977 generated sales of Canadian packages totalling \$20 million. Last year in Vancouver the figure was \$37 million.

Sellers representing 143 organizations in Canada have been matched by computer with 177 buyers from such countries as the United States, Britain, France, Germany, Austria, Belgium, Denmark, the Netherlands, Sweden, Switzerland, Italy, Mexico, Venezuela, Australia, New Zealand, Japan and Hong Kong.

In the matching process, priorities are assigned according to each organization's meeting preferences. This manual pairing takes about 15 days; the actual computer run, which arranges the appointments, takes less than one minute.

National Research Council program aids unemployed scientists

Almost \$6 million has been approved to continue a new National Research Council program designed to stimulate employment among Canada's scientific and engineering graduates.

In its first year, the plan considered to be an important part of the effort to expand Canadian technical capability, has resulted in more than 400 unemployed scientists and engineers being placed with 300 Canadian companies.

The scientific and technical employment program (STEP) is aimed at creating permanent jobs in private industry for unemployed graduates in scientific and technical fields. STEP allows researchers to develop their skills by providing salary support to a maximum of \$15,000 for each researcher. This allows companies otherwise unwilling or unable to absorb costs for the usual training period to place such employees on staff. While training on the job, a STEP-assisted re-

searcher also achieves an indirect aim of the program — stimulation of secondary jobs resulting from his research. Since STEP's inception, permanent staff have been hired by client companies in sales or other capacities.

In the case of a small financially-troubled company, Analytic Systems Ware Limited of Vancouver, a STEP researcher was hired to help rectify technical problems with a new electronic navigator. The result was an electronic course-setter that could be used in small vessels such as fishing boats or pleasure craft to check their position without having to make tedious sightings and calculations. Sales of the unit are now rising quickly and the STEP researcher is already engaged in other tasks with the company.

Applicants are assessed along the lines of future value for both the company and the economy. Company initiative can in-

Computer helps muscular dystrophy patients

A new computer system developed by a Toronto technician is being used to design new spinal support seats that are adding years to the life spans of children with muscular dystrophy.

A computer service, operated from Toronto's Hospital for Sick Children, converts spinal X-ray films into digital data and besides giving an accurate measurement of spinal curvatures, gives engineers the information they need to build individual, properly sloping support seats for wheelchairs to help ease spinal deformities. The service is being extended to 17 new muscular dystrophy clinics opening across the country in September.

The computer system, is unique in the world, according to executives of the Muscular Dystrophy Association of Canada, and is steadily drawing U.S. associations from across the border to study it.

The computer service has been in use at the Hospital for Sick Children since last spring, in the treatment of children with Duchene muscular dystrophy. Duchene is the most common type of muscular dystrophy and affects boys only. Boys with Duchene rarely live past their teens. Muscular dystrophy is hereditary, and there is no known cure.

According to David Fischer, executive director of the Muscular Dystrophy Association of Canada, the computer system is still being refined, but he hopes there will soon be computer terminals in the new clinics so that X-ray information can be transmitted back to the main Toronto computer for analysis.

Margaret Archibald, national director of patient services and research, said that until now, children had been flown in to Toronto from all over Canada for help.

The association, which runs on public donations and pays for all equipment which victims of muscular dystrophy need, had until now, three clinics in the country — two in Montreal, and at the Hospital for Sick Children.

About 5,000 victims of muscular dystrophy are registered with the association. "But because of the new clinics, we're getting more names every day," Mrs. Archibald said.

The "open spinal support" seats, developed in experiments over the last few years, can add up to five years of life for a child, she said.

The support seats, made out of foam and designed in conjunction with the computer system, allow children previously confined to their beds for most of their day to sit for up to 12 hours.

The desk top computer and digitalizer system was developed by Jan Koreska, a bio-medical engineer at the Hospital for Sick Children. Mr. Koreska and Dr. Donald Gibson, a Toronto orthopedic surgeon, also developed the spinal support seat used in electric wheelchairs.

Mr. Koreska said standard wheelchairs do not support the spine, "and if anything, tend to encourage the deformity".

Dieters have fun, get fit, with losing game

Dieting may be a pain to some, but Ron and Susan Craig of Manitoba have found it can be fun and possibly profitable.

The Craigs invented *Kalory* a year ago. It's "a game for all fun loving, weight-conscious people," says a description on the box.

"It started as a conversation, just from our own personal weight problems," explained Mr. Craig, a 38-year-old schoolteacher at South Indian Lake, Manitoba. "We plugged in just from our personal experiences, and I put it down on paper."

Mrs. Craig is also a schoolteacher in the remote community, more than 750 kilometres north of Winnipeg, and the couple plans to stay there, even if the venture becomes highly lucrative.

How it's played

The game is played on a board with dice, Kalory chips, and three types of penalty and bonus card — Slim Hope, Fat Chance and the Get Fit Pit.

A Kalory is defined in the rules as "the amount of effort it seems to take any one person to lose one pound".

Get fit pit

Players start with the same number of Kalories, represented by different coloured discs, and try to lose weight while forcing their opponents to put on pounds.

Part of the fun comes from drawing a card from the Get Fit Pit and doing compulsory light exercises to lose chips.

Players choose the lightweight, middle-weight, or heavyweight game depending on whether they wish to lose 2,000, 3,500 or 5,000 Kalories.

New method teaches pre-schoolers to read

About 160 pre-schoolers in Oakville, 20 kilometres southwest of Toronto, have begun a program that uses a computer to teach them the skills needed to learn to read.

The program, under way at Oakville public library, is believed to be the first in North America to involve pre-schoolers with computers.

Since the computer arrived in the library's children's department, it's been the centre of attention, says Stan Squires, co-ordinator of children's services.

He said that as soon as the children see it "they're all over it" and have been playing with it non-stop.

Their parents are just as keen. Those who have computer skills have offered to help with the program. Others just enjoy the chance to play with the machine, which can do everything from planning personal budgets to playing bridge.

The one-year computer program is teaching children the recognition of shapes, numbers and letters, then progresses to simple three-letter words like "cat" and "dog" and eventually will work-up to common words like "stew" and "soap".

It also includes a memory-builder based on a concentration game. Any child who knows the alphabet can use it.

Laser surgery restores voice

Eight-year-old Joanne Machata of Calgary can shout and scream for the first time. Her voice box is sound again.

Since she was a year-and-a-half old Joanne, could only whisper. But the miracle of laser surgery permanently removed the voice-crippling growths from her larynx and windpipe.

Now, Joanne, who loves cowboys and riding ponies, can shout a raspy but loud "yahoo!" at rodeos, as she did this summer at the Calgary Stampede.

Last April, Dr. Allen Abramson of the Long Island Jewish medical centre in New York used a powerful carbon dioxide laser to evaporate numerous non-cancerous growths known as papillomas.

Recently, when Joanne and her mother, Betty Machata, 29, returned to the medical centre they were told that Joanne was cured.

News of the arts

Peking Opera Theatre of China to tour Canada



Scene from *The Monkey King Creates Havoc in Heaven* showing the bright and unusual costumes of the company.

The Peking Opera Theatre of China, will tour Canada this autumn, the Touring Office of the Canada Council and the Department of External Affairs have announced. The Touring Office is co-ordinating the tour under the terms of the official cultural exchange program between Canada and the People's Republic of China.

The 100-member troupe will perform in: Toronto, O'Keefe Centre, October 9-13; Montreal, Place des Arts, October 17-20; Ottawa, National Arts Centre, October 24-27; Hamilton, Hamilton Place, October 30-31; Regina, Saskatchewan Centre of the Arts, November 3 and 4; Edmonton, Jubilee Auditorium, November 5 and 6; Vancouver, Queen Elizabeth Theatre, November 8-11; and Victoria, Royal Theatre, November 13.

Combining acrobatics and antics, dance and drama, music and mime, songs and sword fights, the versatile performers, in traditional costumes, will present their artistry in two programs: *The Monkey King Creates Havoc in Heaven* — based on the novel *A Pilgrimage to the West* — describes the Monkey King's revenge on the Kingdom of Heaven which attempts to conquer his own kingdom. Wily, crafty and employing martial arts, the Monkey King and his monkeys are finally victorious.

The company's unique stature in the world of the performing arts is further

illustrated in excerpts from famous works, based on folklore and myth, including: *The Inn of the Three-Cornered Intersection*, *The Jade Bracelet*, *The Forest of the Wild Boars*, *The King Bids Farewell to his Mistress*, *Autumn River* and *The Water Flows over the Golden Hill*.

The troupe's members are graduates of China's theatre schools and have toured Asia, Africa, Australia, the United States and Europe. The Peking Opera Theatre of China was last seen in Canada in 1960.



The theatre uses acrobatics, dance, mime and sword fights in its performances.

Live opera from Salzburg on radio

A complicated technical hook-up between the Canadian Broadcasting Corporation (CBC) and the National Public Radio network in the U.S., allowed opera-lovers to hear a live performance of Mozart's *The Magic Flute* direct from the stage of the 1979 Salzburg Festival. The program was broadcast over the CBC stereo radio network on August 19.

Headlining the cast was bass Marti Talvela as Sarastro, soprano Edita Gruberova as Queen of the Night and soprano Lleana Cotrubas as Pamina. Tenor Eric Tappy was Tamino and soprano Elisabeth Kales was Papagena. Christian Boesch was the comic bird-catcher Papageno.

James Levine, American music director of the Metropolitan Opera, conducted the Vienna Philharmonic and the Vienna State Opera Chorus.

CBC spokesman Linda Litwack said National Public Radio provided most of the technical organization for the broadcast. She said the radio signal was relayed first from Frankfurt, West Germany to Connecticut by satellite. From there it travelled to Boston, Massachusetts, and Washington, D.C., where it was sent across the U.S. by the Public Broadcasting System's Westar satellite.

Teenagers learn of their culture

A number of North American teenagers of Ukrainian descent spent a month this summer learning about their cultural roots.

The 23 youngsters took part in a cultural immersion program that ranged from Ukrainian language and literature to learning how to play the *bandura*, a Ukrainian stringed instrument that sounds like a cross between a lute and a harp.

Rosemarie Todaschuk, 16, of Winnipeg, said the immersion program, at St. Andrew's College on the University of Manitoba campus in Winnipeg, was not like a regular school because there was no pressure — except when it was time for the final language examinations.

In addition to language classes, the students also learned by visiting Ukrainian museums in Winnipeg and practising traditional Ukrainian dances.

Preparations for budget

(Continued from P. 2)

While the figures I announced in July do reflect some modest improvement from what was expected earlier this year, our budgetary deficit at \$11.3 billion is too large and the Government is faced with hard decisions on the appropriate stance of fiscal policy.

I have already indicated that we intend to proceed with mortgage interest and property tax deductibility in my fall budget.

How much more we will be able to do is still an open question. The size of the deficit continues to limit our room to manoeuvre.

The threat of a re-acceleration of the underlying trend of inflation is real and must be taken into consideration. Inter-

national inflation increases stemming from higher oil prices will tend to reinforce domestic inflationary pressures that are already too strong. And as I have said before, I do not propose to bring down a budget that is going to exacerbate inflation.

...Three months ago today, I and my colleagues assumed the management of the Government of Canada. We said then that this is an enormously wealthy country that faces major problems, many of which are of our own making. We said that we believed that their solution was within our power, and within yours, because the private sector is vital to any solution.

Now, 93 days later, there is no reason to alter our assessment of the magnitude of the problems, but neither is there reason to alter the optimism with which we face them.

Special agreements have been made with 39 companies with head offices in Quebec by the Office of the French Language, lessening government requirements to make French the working language of the office. Requests from 24 more companies are under review. The requests were made under regulations a year ago for companies with head offices in Quebec that make more than half their gross income outside the province.

A committee of federal Members of Parliament has been set up to consult with the Canadian livestock industry and consumers and advise on beef import legislation, Agriculture Minister John Wise has announced. The Beef Import Consultative Committee will be chaired by Bert Hargrave, a well-known Alberta rancher.

Air Canada has ordered six more Boeing 727 medium-range aircraft valued at \$9 million. The first four Boeing 727 aircraft of its new order will each cost \$15.1 million and the other two \$15.6 million each. Deliveries are scheduled to start in January 1981, to be completed in May of that year.

U.S. residents Dave Halsey and Peter Souchuk were such "tenderfeet" when they began a Canadian trek that they wore their snowshoes backwards for the first 160 kilometres. The two men returned in August from what they called "their adventure of a lifetime" — a two-year, off-and-on expedition across Canada, from the Pacific Ocean to the

Atlantic. Halsey, 22, and Souchuk, 25, said they used old-fashioned methods of transportation like canoeing, backpacking and snowshoeing during the 2,880-kilometre trip.

Canada's nine largest banks had a combined after-tax balance of revenue of \$260.6 million in the three months ended July 31. This amount was up 10.5 per cent from \$235.8 million a year earlier. The banks' balance of revenue grew at a 7.1 per cent rate in the second quarter, the smallest gain in the banks' profits in two years. The growth rate in the latest quarter was well off the 34.5 per cent rate of the first quarter, and the 32.7 per cent rate a year earlier.

A trade mission of seven Japanese agricultural officials arrived in Canada August 22 to study the Canadian seed industry. The agricultural experts spent two weeks visiting agricultural research stations and meeting academics and agriculture department officials. The mission is expected to result in increased sales of Canadian seeds for products such as early maturing hybrid corn.

A business conditions survey of 6,700 manufacturers indicated that 26 per cent of respondents expect higher production in the third quarter than the second, while 23 per cent expect lower, Statistics Canada reports. Some 15 per cent said that raw materials shortages were the greatest obstacle to production while 12 per cent noted a shortage of labour as the greatest impediment.

Housing starts were at a seasonally-adjusted annual rate of 210,700 in August, up 20.7 per cent from a revised July rate of 174,000 but down 8.5 per cent from the August 1978 rate of 230,000, Canada Mortgage and Housing Corporation reports. The August figure was the highest since the January rate of 245,000.

Vancouver Whitecaps, recently defeated Tampa Bay Rowdies 2-1 at Giants Stadium in New Jersey to win their first North American soccer title.

Canadian University Service Overseas (CUSO) is not an "offshoot" of the Canadian International Development Agency (CIDA) as stated in *Canada Weekly* dated August 1, in an article "Canada-Cuba swine project", on Page 5. Chris Bryant, CUSO Field Staff Officer in Papua New Guinea, points out that, although his organization receives a large part of its budget from CIDA, CUSO is an independent corporation.

News briefs

Princess Anne will visit Canada November 12-18. The princess will take part in functions on behalf of the Canadian Save the Children Fund during her stay. She is president of the organization's British counterpart. Princess Anne was last in Canada in July 1976, when she took part in the equestrian events at the Olympic Games in Montreal.

Manitoba Hydro had a record profit of \$45.7 million in the 1978-79 fiscal year, largely because of increased sales to the United States, the Crown utility says in its annual report. Export sales, primarily to the United States and Ontario, increased about 140 per cent with American companies paying \$58 million for Manitoba power.

The Federal Government will negotiate a multi-billion dollar energy deal with Mexico and Petro-Canada will act as adviser, Energy Minister Ramon Hnatyshyn said on August 2.

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