



CANADA

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## CONTENTS

The Commonwealth and GATT .....	1
The Community and the Skilled Worker .....	3
Hall of the Great Chiefs .....	3
Technicians to Study in Germany .....	4
Iron Ore .....	4
Mexican Livestock Mission .....	4

Sales and Purchases of Securities .....	5
Immortalizing the Innuit .....	5
Canada's Food Services .....	5
Building Permits .....	6
April Seaway Traffic .....	6

## THE COMMONWEALTH AND GATT

The following statement on Canada's role in the meeting of the Commonwealth Economic Consultative Committee held in London on May 13 and 14 and in the meeting in Geneva from May 16 to 21 of trade ministers of countries adhering to the General Agreement on Tariffs and Trade was made to the House of Commons on May 24 by the Minister of Trade and Commerce, Mr. Mitchell Sharp:

...At the London meetings, I was impressed by the variety of the modern Commonwealth. It is a reflection in miniature of the free world as a whole. The whole spectrum of needs and aspirations is represented. Britain is a highly developed industrial country. Canada and Australia are major exporters of agricultural and primary products as well as manufactures of more limited scale. New Zealand is almost entirely dependent on agriculture. Significantly, the modern Commonwealth includes a majority of newly-independent countries only recently embarked on the process of development and diversification. It was a rewarding experience for me to meet the trade ministers of the new, as well as the older, members of the Commonwealth.

In London we were able to discuss in the unique and understanding atmosphere of Commonwealth meetings the interests and approaches of the different members to the major current issues of trade and development. Three main trade questions were on the agenda: (a) the expansion of the trade of developing countries, (b) world trade in agriculture

and (c) the proposal for a further major round of negotiations to reduce tariffs and other barriers to world trade. The meeting was also able to review the situation in Europe and to hear from British ministers about developments since the termination of the Brussels negotiations.

Ministers recognized the continuing significance of Commonwealth trade. We also agreed on the need for a general expansion of world trade and on the importance of this for all Commonwealth countries.

## NEEDS OF EMERGENT NATIONS

...The needs of the less-advanced countries of the Commonwealth received full recognition. Canada joined with other members of the Commonwealth in promising our support for action to help meet these needs, both at the subsequent GATT ministerial meeting and in the forthcoming United Nations Conference on Trade and Development.

## AIMS OF GATT CONFERENCE

In Geneva, at the GATT session, the purpose was to come to grips on a world-wide basis with the three major trade problems discussed in London. These problems are difficult and complex and many conflicting interests remain to be resolved in the long negotiations that lie ahead. Nevertheless the countries concerned have agreed to come to the negotiating table and a start will be made. This was a tremendous and heartening achievement.

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For the developing countries decisions were taken to facilitate expansion of their trade, and machinery has been established to keep their problems in the forefront of the negotiations and of GATT discussions. But, on many points, views differed as to the best way to proceed, notably between the EEC and the overseas countries associated with the Community, on the one hand, and the developing nations elsewhere in the world... But there was no disagreement on the urgency and fundamental importance of moving to help all these countries to meet the challenges of their development and the fundamental need to improve the lot of their peoples. Aid is clearly not enough. Financial and technical assistance must be accompanied by better opportunities to trade and other measures to facilitate the expansion and stability of the export earnings of these countries.

**FOLLOWING THE U.S. EXAMPLE**

The Geneva conference was the fifth meeting of GATT ministers since the General Agreement was signed in 1947. A chief purpose was to initiate a major negotiation for the reduction of tariff and non-tariff barriers to trade. The new United States authority to cut the protection surrounding the U.S. market made this possible. The power contained in the Trade Expansion Act to reduce most U.S. tariffs by half and to remove duties that are 5 per cent or less is both imaginative and far-reaching. It provides more scope to reduce American protection than has been available for many, many years.

The proposal for new and substantial negotiations - "The Kennedy round" - was strongly supported by Canada, by Britain, and by many other countries whose interest lies in the expansion of world trade. The meeting agreed that negotiations should be joined and that they should cover trade barriers of all kinds and all sectors of trade. Agreement was also reached that the negotiation plan should be based on the principle of equal across-the-board tariff reduction, subject to certain exceptions and subject to the working of procedures to narrow differences of tariff levels between major industrial powers where these have significant effects on trade.

**CANADA AND THE U.S.-EEC FORMULA**

...Many days of negotiations between the United States and the EEC were necessary before the first formula was agreed upon. I made it clear that, for Canada, such a formula of tariff reduction would not yield the necessary mutuality of trade and economic benefit. I indicated that, for a country like Canada, with its limited domestic market, its patterns of production and trade and its relatively narrow range of exports, it would be difficult to find any single formula which would achieve the necessary balance of advantage. I assured the meeting, however, that Canada would play its part and make concessions in the Canadian tariff commensurate with the benefits we receive.

The conclusions of the meeting cover the position of Canada and certain other countries in a somewhat similar position. They provide that the Tariff Negotiations Committee shall deal with (and I quote):

The problem for certain countries with a very low average level of tariffs or with a special economic or trade structure such that equal linear tariff reductions may not provide an adequate balance of advantages.

In his statement which, forms an integral part of the conclusions of the meeting, the Chairman stated that, pursuant to this paragraph (and I quote):

The Committee will deal with the case of certain countries where it is established that their very low average level of tariffs on their economic or trade structure is such that the general application of equal linear tariff reductions would not be appropriate. For such countries the objective shall be the negotiation of a balance of advantages based on trade concessions by them of equivalent value, not excluding equal linear reductions where appropriate.

In addition, the Chairman was asked whether the words "special economic or trade structure" in the resolution covered the special situation of a country which, it is established, has a very large dependence on exports of agricultural and other primary products. The Chairman replied that this was the case.

I am satisfied that the United States and our other major trading partners fully understand Canada's position.

**AGRICULTURAL PRODUCTS**

World trade in agricultural products presents particularly difficult problems. The normal trade rules have not been applied, and efficient agricultural exporters like Canada have faced much frustration. It is significant, therefore, that agreement was reached in Geneva, including agreement by the EEC, that agriculture shall be included in the negotiations. No doubt a settlement will be difficult to find. But with so much at stake, particularly with respect to wheat and other cereals..., the representatives of Canada at the forthcoming discussion will make every effort to ensure that these negotiations succeed. There are to be early meetings to discuss cereals and meats and a special group has also been set up for dairy products. These discussions may lead to new or revised international commodity arrangements. In this connection, I would draw the attention of the House to the statement made Wednesday of this week in the British House of Commons by Mr. Christopher Soames, the Minister of Agriculture. Mr. Soames forecast important changes in British agricultural support and import policies and indicated British willingness to participate in the further negotiation of international arrangements for temperate foodstuffs.

I had the opportunity to discuss these matters with Mr. Soames, and we look forward to working closely with Britain, other importers and our fellow exporters of cereals and other products in the negotiations to come.

**STAGE IS SET**

Agreement at Geneva on the major points that I have mentioned was by no means easy. Much remains to be done and many difficulties overcome before there can be confidence that the various negotiations will yield a substantial and positive result. The stage has, however, been set for further progress if there is willingness to make the negotiations a success. We propose to play a full and active part.

(Continued on P. 6)



## THE COMMUNITY AND THE SKILLED WORKER

The following remarks were made by the Minister of Labour, Mr. Allen J. MacEachen, at the opening of the North Alberta Institute of Technology in Edmonton, Alberta, on May 27:

...The need for an expansion of technical and vocational education has been widely recognized. There is, in fact, no argument today anywhere in Canada about our need for more skilled people, at all levels. This has been amply proved by the way in which provincial governments and municipalities have moved ahead rapidly with their school-building programmes under the new Technical and Vocational Training Agreements signed two years ago.

Although much has been accomplished, we seem to be barely keeping pace with expanding needs. In fact, the farther we advance in technical education, the more the horizons widen out in front of us.

I am told that, since 1960, accommodation in institutes of technology, such as this one, has been more than doubled. This fall, these institutes will have accommodation for 22,800 students in all courses. From what we now know of the increasing number of students, it seems that by 1967 we are going to have to provide accommodation in this kind of school for at least as many more students across Canada.

The estimates for other kinds of technical and vocational schools are just as startling. Technical and vocational highschools increased their accommodation by 115,000 from 1960 to 1963. The increase needed by 1967 will again be substantial. Accommodation in trade schools and adult vocational schools increased by 17,000 between 1960 and 1963. By 1967 it appears this accommodation will have to be at least doubled.

The type of post-highschool training you are giving here has developed rapidly in recent years. It is, in fact, one measure of the changes that have taken place across Canada over the past two decades...

### OVERDUE RECOGNITION

One by-product of the increasing concern with technical and vocational education has been an up-grading of the status of the skilled tradesman and technician.

There is something that has long been overdue. For too long many people have thought of vocational and technical education as an inferior type of educa-

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### HALL OF THE GREAT CHIEFS

A gallery in the Saskatchewan Legislative Building, Regina, called "The Hall of the Great Chiefs", contains 15 portraits of famous Canadian Indian leaders by Edmund Morris, a painter who was born in Perth, Ontario, in 1871, and died at Toronto in 1913. Morris spent the greater part of his life roaming Canada in search of facial types representative

of the various Indian tribes. His 55 works depict chiefs and warriors of the Cree and Blackfoot nations. Apart from their artistic quality, these paintings form an invaluable record of a vanished era.

tion. The notion that it is suitable only for those who cannot make the grade in an academic course is both wrong and harmful. Most people today know how vital men and women with technical skills are to our prosperity. I think too that more people are realizing how complex the jobs are that many of our skilled people are called upon to perform.

I am sure everyone here realizes that building more school accommodation, staffing it with competent teachers and finding suitable equipment are all of primary importance.

But education today is also becoming a matter that concerns the whole community. We must provide education for the young people of the nation as we always have, but now we are providing more years of education for a larger proportion of the population, and we are providing education in a variety of courses undreamed of a few decades ago.

### RE-TRAINING THE VETERAN WORKER

Older men and women, already in the work force, can no longer count on an uninterrupted career in their original occupations. Their jobs are changing around them even while they work. Many of these people need re-training to fit them to handle new techniques and new processes. Many others must have the training that will allow them to advance to entirely new occupations. Then there are the men and women whose basic education must be upgraded before they can be trained for these new jobs.

It has always been a problem for a young person to choose a career; today the problem is far more difficult because of the bewildering range of occupations that have been created by the advances of technology.

There is, therefore, a need for more guidance services for young people, and for adults as well. We need more fully-qualified guidance counsellors who have knowledge both of education and of the needs of industry and business.

The whole matter of training for skilled occupations demands the co-operation of the community - of management and unions as well as of educators and community associations. When curricula are expanding so rapidly, the school system must have the advice of all these other groups in deciding on courses and must in many cases have their help in carrying out training...

Besides the portraits hanging in the Regina gallery, there are many works by Edmund Morris in the National Gallery in Ottawa and the Ontario Gallery, Toronto.



## TECHNICIANS TO STUDY IN GERMANY

The Minister of Labour, Mr. Allen J. MacEachen, announced on May 23 that seven graduates from a number of Canadian institutes of technology would attend a one-year postgraduate course in a large German company located in Düsseldorf.

The students, all of whom are 1963 graduates in mechanical technology, will undergo intense practical and theoretical training in smelting works, and tube factories, or in the machine factory of the Mannesmann Company. It is the first time Canadian students have participated in this project, which has been sponsored for some years by a number of companies in West Germany.

### FINANCIAL ARRANGEMENTS

The students will pay their own air fare to Germany, and the Mannesmann Company will bear the costs of the return trip. While under training, the students will be paid according to an established wage scale and the company will provide accommodation at a minimum charge in company homes.

It is hoped that 25 Canadian graduates will attend these courses in Germany during the next three years. If the first venture proves satisfactory, there are indications that a number of large German industries will provide similar courses for Canadian graduates in the future. During the past eight years, some 2,000 students from other countries have attended courses of a similar nature in West Germany.

The Technical and Vocational Training Branch, Department of Labour, is co-ordinating the movement of graduates and assisting in making necessary arrangements for their departure to Europe.

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## IRON ORE

Iron-ore shipments from Canadian mines advanced sharply (64.2 per cent) in March, to 820,959 tons from 500,054 a year earlier, but less steeply (53.8 per cent) in the January-March period, to 2,282,787 tons from 1,484,298 in last year's first quarter. Shipments of ore for export increased in March, to 595,033 tons from 368,505 a year earlier, and in the January-March period to 1,656,852 tons from 1,113,017 a year ago. Shipments to Canadian consumers climbed in the month to 225,926 tons from 131,549 and in the three-month period to 625,935 tons from 371,281.

Shipments of iron ore were larger in March and the January-March period this year compared to last from mines in Quebec, Ontario, Alberta and British Columbia. No ore was shipped during the month from mines in Newfoundland. March totals were: Quebec, 492,985 tons (342,722 a year earlier); Ontario, 176,216 (105,913); and Alberta and British Columbia, 151,758 (51,419). January-March shipments: Newfoundland, 183,093 tons (168,079 a year ago); Quebec, 1,245,949 (809,202); Ontario, 376,038 (267,643); and Alberta and British Columbia, 477,707 (239,374).

## MEXICAN LIVESTOCK MISSION

Members of a livestock mission from Mexico are touring Central and Western Canada as guests of the Canadian Government. The five-man mission, which consists of the General Director of Livestock of the Mexican Department of Agriculture, a representative of the Mexican Chamber of Deputies and three presidents of Mexican livestock associations, arrived in Canada on May 25. Their tour will end on June 9.

The immediate purpose of the mission is to inform Mexican government officials and livestock producers of the full range and quality of purebred dairy and beef cattle and other types of livestock available from Canada. The long-range objective is to increase Canada's share of the Mexican livestock market.

Mexico has for some years been the largest market in Latin America for Canadian purebred cattle. From 1951 to 1960, Canada exported 7,208 head of cattle, valued at \$2,648,956, to that country. However, of the approximately 9,000 head of purebred cattle Mexico imports annually, Canada provides less than ten per cent.

### IMPROVING AND EXPANDING

Another consideration prompting the invitation to the mission to visit Canada was that the Mexican Government had been taking active steps to improve and expand that country's livestock industry. As this programme will entail long-term increases in the importation of purebred stock, the visit of the mission is expected to prove both timely and effective.

The mission's visit began with a six-day tour of dairy and beef cattle herds in Southwestern Ontario, during which the group called on officials of the Ontario government and on cattle breeders' associations, and visited the Ontario Agricultural College at Guelph. On May 31 the mission was in Ottawa to talk to the Deputy Minister of Trade and Commerce, Mr. James A. Roberts, and other officials of the Departments of Agriculture and Trade and Commerce.

### WESTERN SWING

Over the weekend, the mission travelled west. Some members stopped off to visit a cattle sale at Arcola, Saskatchewan, and cattle herds in the Killarney district of Manitoba. On June 4, 5 and 6, the mission will be in Calgary, where members will visit the stockyards, a packing plant, cattle and swine herds, and a feed lot. They will also visit the Department of Agriculture's Experimental Farm at Lacombe, where an outstanding new breed of swine has been developed.

On June 6 the mission will visit Banff National Park, and the following day will go on to Vancouver, where members will visit the British Columbia Artificial Insemination Unit and several cattle and swine herds. On June 9 the mission will return to Mexico.



### SALES AND PURCHASES OF SECURITIES

A net capital import of \$359 million arising from all transactions between Canada and other countries in portfolio securities during the first quarter of 1963 set a new high level. It can be attributed mainly to the unusually heavy inflow of foreign funds for the acquisition of new Canadian issues, especially bonds of provincial governments (including guaranteed issues) and the Government of Canada. The latter included the delivery of \$125 million of United States dollar bonds sold in the third quarter. There was a modest outflow of \$46 million for retirements.

#### FIRST-QUARTER PATTERN

In general, the pattern of international security trading during the first quarter for both Canadian and foreign securities is similar to the developments in other quarters during the past year. A sales balance on outstanding Canadian bonds and a relatively sizeable repatriation of foreign-held Canadian stocks continued. The resale by Canadian holders to United States and other non-residents of their governments' bonds contributed substantially to reversing the purchase balance of outstanding foreign securities which had existed earlier into a small net sale of \$5 million.

#### OUTFLOW

A net capital outflow of \$10.6 million resulted from trade in all outstanding securities between Canada and other countries in March. Britain received the largest part of this movement, but the United States and other foreign countries also received small amounts.

The net repurchase of \$22 million of Canadian stocks held abroad was the factor mainly responsible for the overall outflow, as there were net sales balances for most other types of securities. Sales of \$7.4 million of other Canadian securities, chiefly Government of Canada bonds sold to United States residents, and other inflows of \$4 million for the repatriation of foreign securities held by Canadians, principally United States common and preference stocks by residents of that country, reduced the net outflow.

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### IMMORTALIZING THE INUIT

A permanent exhibition at the National Museum of Canada showing how Eskimos in Canada's north lived more than 50 years ago, entitled "Hall of Canadian Eskimos", was officially opened by Northern Affairs Minister Arthur Laing on May 29. This is the first permanent exhibition to be set up at the National Museum in accordance with new modernization and enlargement plans. Large three-dimensional dioramas and a number of smaller displays illustrate aspects of the Eskimo way of life ranging from the traditional drum dance and games of skill to land and sea travel and the hunting of seal, whale and caribou.

#### HABITAT TABLEAUX

Special attractions are the three dioramas, where figures in life-like action are combined with painted

backgrounds to simulate segments of life in Northern Canada. The winter diorama shows the activity of an Eskimo family in and about an igloo or snowhouse constructed of styrofoam blocks cut to shape by Paul Oolahteeta, a young Eskimo from Resolute Bay. A second diorama shows a hunters' summer camp, with a caribou-skin tent and a kayak. In the painted background, hunters are shown chasing caribou as they cross an open section of water. The third diorama presents a whaling scene, and features a large Eastern umiak, or "women's boat".

Much of the wall space in Eskimo Hall is decorated with large photographs of contemporary Eskimo life and reproductions of well-known graphic prints by the Eskimo artists of the West Baffin Co-Operative at Cape Dorset.

A special display will show the equipment used by the members of the Cape Dorset co-operative in producing stone-cut prints, and will include some soapstone blocks used to make the prints. The display will also have a number of photographs of prints that have been produced.

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### CANADA'S FOOD SERVICES

"Future improvement in the food-service industry will depend, first and foremost, on increasing management 'know-how', particularly at the small-business level," Mr. Jack Hurlbut said recently to the National Small Business Management Training School in Ottawa. The School, which opened May 6 and will continue until July 26, is being conducted by the Small Business Branch of the Department of Trade and Commerce.

Mr. Hurlbut is one of a number of experts in various fields of business management who are instructing representatives of seven provinces attending the School. He is vice-president of Winco Ltd., a Toronto-based company operating some 17 restaurants and food services in Canada and the United States, and vice-chairman of the National Education Committee, Canadian Restaurant Association.

#### NEW IDEAS ESSENTIAL

"Competition is stiffest at the level of mediocrity," Mr. Hurlbut said. "In fact, once you rise above it, there is little competition. The main requirements needed to cash in on the rapidly-expanding market for food services are imagination plus management 'know-how'." Mr. Hurlbut declared that restaurant operators should follow the lead of the super-markets: "Break down the gates of conservatism and let in the flood of ideas. To do something different doesn't mean that it has to be more expensive."

At the completion of the three-month training programme, the provincial representatives attending the Small Business Management Training School will return to their provinces to organize courses for owners and operators of small businesses across Canada. They will also recruit qualified instructors from the ranks of business and professional men and be generally responsible for the conduct of the courses in their provinces.

Commenting on the role of the provincial representatives, Mr. Hurlbut told his listeners: "There

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are approximately 20,000 eating establishments in Canada, and the majority of the owners of these businesses do not recognize the main source of their problems. That's your job. There is a real need for education in the food services industry. You men will help correct it."

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### BUILDING PERMITS

During 1962, Canadian municipalities issued building permits for construction to a value estimated at \$2,516,578,000, an increase of 12.1 per cent from the 1961 total of \$2,244,253,000. Residential construction covered by the permits issued during the year rose 2.8 per cent, to \$1,209,182,000 from \$1,175,990,000 in 1961, while the value of non-residential construction climbed 22.4 per cent, to \$1,307,396,000 from \$1,068,263,000.

The value of building permits issued in 1962 in Quebec, Ontario, Saskatchewan, Alberta and British Columbia was higher than for 1961. In Newfoundland, Prince Edward Island, New Brunswick and Manitoba it was lower. There was little change in Nova Scotia. Totals (in thousands) were: Newfoundland, \$18,640 (\$19,790 in 1961); Prince Edward Island, \$3,327 (\$7,703); Nova Scotia, \$44,700 (\$44,574); New Brunswick, \$26,763 (\$30,223); Quebec, \$646,945 (\$520,729); Ontario, \$1,064,980 (\$988,200); Manitoba, \$99,385 (\$105,259); Saskatchewan, \$90,917 (\$88,399); Alberta, \$284,169 (\$232,378); and British Columbia, \$236,752 (\$206,998).

The value of building permits issued in February this year declined 14.2 per cent, to \$125,978,000 from \$146,866,000 in the same month of last year. The value of residential construction increased 5.0 per cent, to \$59,844,000 from \$56,978,000 a year earlier, while non-residential construction decreased 26.4 per cent, to \$66,134,000 from \$89,888,000.

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### APRIL SEAWAY TRAFFIC

Traffic through the section of the St. Lawrence Seaway between Montreal and Lake Ontario for April 1963 was 75 per cent higher than that for the same period last year, totalling nearly 1,650,000 tons of cargo, according to preliminary figures recently released by the Canadian and United States Seaway entities.

The monthly figures for April since the Seaway opened were 938,000 tons in 1962, 1,230,000 tons in 1961, 858,000 in 1960 and 451,000 in 1959, the first year of operation.

This year's April total was made up of approximately 1,475,000 tons of bulk cargo and 175,000 tons of general cargo.

### WELLAND TRAFFIC

For the Welland Canal, preliminary figures for April show an increase of 3.7 per cent in total traffic, from 1,870,000 cargo tons last year to 1,939,999 tons this year.

General-cargo traffic was almost the same for the two periods, while bulk cargo upbound increased slightly and showed a small decrease in the downbound direction.

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### THE COMMONWEALTH AND GATT

(Continued from P. 2)

A busy timetable for negotiations has been agreed. In addition to the agricultural groups I have mentioned, a Tariff Negotiations Committee will meet with a first task of working out the detailed negotiating rules by August 1. These preparations are to lead up to a major trade conference opening on May 4 of next year, which will bring together the various elements and carry the negotiations forward towards completion.

In preparation for the negotiations, the Government will wish to consult fully with all Canadian interests which may be affected. Procedures to this end will be announced in due course.

As one of the world's leading trading nations, whose economic well-being heavily depends on trade, Canada has much to gain from the success of the negotiations and the new export opportunities that will be opened up. This is true for our manufacturing as for our agricultural and primary production. Lower trade barriers can contribute in an important way to the efficient development of Canadian industry on the basis of wider markets. Successful negotiations will provide the opportunity to develop an improved pattern of production and trade which would give a stimulus to Canadian growth and employment on a sustainable and competitive basis and so contribute to the development of Canada and the prosperity of the Canadian people.

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