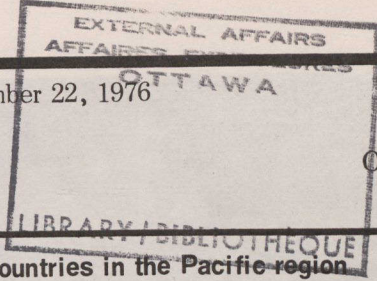


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Mr. MacEachen visits four countries in the Pacific region

To demonstrate strong interest in diversifying external relations and to emphasize the importance Canada attaches to countries in the Pacific region in its diversification policy, Allan J. MacEachen, Secretary of State for External Affairs, visited Indonesia, Malaysia, New Zealand and Australia from August 23 to September 5.

During this first official visit to these countries by a Canadian foreign minister, Mr. MacEachen, in discussions with government leaders, stressed Canada's desire to intensify its relations, both bilaterally and multilaterally, in the Pacific area. He was accompanied by Basil Robinson, Under-Secretary of State for External Affairs; R.L. Rogers, Director General of the Bureau of Asian and Pacific Affairs; J.M.T. Thomas, General Director of the Pacific, Asia and Africa Bureau, Department of Industry, Trade and Commerce; and C. Westdal, Deputy Regional Director, Asia Division, Canadian International Development Agency.

On the bilateral side, the Minister's visit was intended partly to carry forward the momentum developed over the past few years of the increasing number of Canadians visiting the region, privately or publicly, through expanding trade and economic development assistance. Canada's desire to strengthen co-operation on political and economic questions, both regionally and internationally, was well received, as was Canada's commitment to increased economic development assistance in the Pacific region to help create a more durable basis for peace and stability.

Support for ASEAN projects

In this connection and on the multilateral side, Mr. MacEachen stressed Canada's strong support of the principles and objectives of the Association of South East Asian Nations, (ASEAN). Ottawa views ASEAN as having the potential to be a significant contributor to stability in the Pacific region.

To add substance to Canadian support, the Minister announced in Jakarta and Kuala Lumpur that Canada was ready to consider development assistance for regional projects identified by the five member countries and to open formal discussions with ASEAN itself to facilitate such assistance. The main Canadian multilateral assistance to the region is primarily in the form of participation in the Asian Development Fund of the Asian Development Bank, in which Canada holds approximately 6 per cent of the voting power and ranks third among donor countries in over-all financial support.

Indonesia

In Indonesia, Mr. MacEachen met President Soeharto and Foreign Minister Malik. Discussions ranged from security in the Pacific to the Conference on Industrial Economic Co-operation, where Indonesia is a member of the Raw Materials and Financial Affairs Commissions. Agreements were signed and letters exchanged concerning Canadian assistance in cement, coal mining, hydro power development and water resource programs. The External Affairs Minister also indicated Canada's willingness to provide wheat aid up to an amount of \$10 million this year.

Malaysia

In Malaysia, Prime Minister Hussein Onn and Foreign Minister Rithauddeen spoke to Mr. MacEachen particularly on the role of ASEAN. An agreement was signed for a \$7.5-million Canadian loan for power projects and a memorandum of understanding was signed concerning a Canadian grant for a geochemical survey in Central Malaysia.

New Zealand

In New Zealand, Prime Minister Muldoon and Foreign Minister Talboys exchanged views with Mr. MacEachen on regional and world questions, including issues before the Law of the Sea Conference, the boycott by African states

Cabinet changes

As this issue was going to press, the Prime Minister announced changes in the Cabinet, including the appointment of Secretary of State for External Affairs Allan J. MacEachen as President of the Privy Council and House Leader. Donald C. Jamieson, Minister of Industry, Trade and Commerce, replaces Mr. MacEachen in the External Affairs portfolio. Details will appear in the next issue.



Mr. MacEachen (left), Prime Minister Malcolm Fraser (centre) and Foreign Minister Andrew Peacock (right) of

of the Olympic Games in Montreal and the possibility of co-ordinating development assistance in the Pacific.

Australia

In Australia, the External Affairs Minister conferred with Prime Minister Fraser and Foreign Minister Peacock, and also participated in a seminar on world economic issues at the Australian National University.

Australian and Canadian officials agreed that both nations offered each

Australia inspect Mr. Fraser's property 'Nareen' during Mr. MacEachen's recent tour of Pacific countries.

other possibilities for co-operation in the development of their respective policies in the Asian and Pacific region. Mr. MacEachen suggested that a greater exchange of domestic information take place and pledged that Canada would explore new areas of co-operation.

Mr. MacEachen's visit strengthened existing relations between Canada and the four Pacific countries and helped to create new opportunities for expanding and more substantial relations in the future.

New aeronautical order clarifies Quebec air-traffic control

Transport Minister Otto Lang issued on September 2 a new Air Navigation Order (ANO) clarifying certain aspects of aeronautical communications in the province of Quebec.

The new order, said Mr. Lang, which supersedes a previous ANO published on July 23, 1976, affirms the government's commitment to the introduction of bilingual air-traffic control in the province of Quebec "as it is demonstrated that it can be achieved without prejudice to safety".

Mr. Lang indicated that the publication of this new order had been required to correct an inadvertent

omission in the previous order which had not provided for bilingual services by temporary or mobile air-traffic control units operated from time to time for air shows and other special aeronautical requirements.

Mr. Lang said the new order also responded to several requests for more precise definition of the aeronautical radio stations which may provide bilingual advisory services in Quebec regarding safety information, weather reports, and reports on airports and air-navigation aids.

Further amendments to this ANO would be promulgated in the months

Canada/U.S. fisheries negotiations

Representatives of Canada and the United States concluded the first round of formal negotiations on September 3 leading to a fisheries agreement which, they hope, will become effective next year.

The two sides put forward basic possible proposals for an agreement and reviewed approaches and ideas in detail. They agreed that the ongoing negotiation of new bilateral arrangements for Pacific salmon would proceed separately with the objective of concluding two separate agreements which, together, would establish the basis for the full range of Canada/United States fishery relations.

A second meeting has been set, provisionally, from October 18 to 22.

NATO sea and air exercise

Ships and aircraft of the Canadian Forces participated in a major maritime exercise from September 10 to 23, which was designed to test plans for the defence of Western Europe.

The two-week exercise, Team Work 76, involved more than 200 ships, 30 submarines and about 300 aircraft from nine nations — Belgium, Britain, Canada, Denmark, the Federal Republic of Germany, the Netherlands, Norway, Portugal and the United States. It took place in the Atlantic, the English Channel and Baltic Sea areas, including a combined amphibious landing in Norway.

Participating from Canada were HMC Ships *Athabaskan*, *Ottawa* and *Margaree* and their ship-borne helicopters; the supply ship HMCS *Protecteur*; the submarine HMCS *Objibwe*, and *Argus* aircraft.

Defence Minister James Richardson said the objectives of Team Work 76, one in a series of North Atlantic Treaty Organization maritime exercises held every four years, were to test forces and plans designed to provide for the defence of Western Europe.

ahead as further steps were taken to complete the introduction of bilingualism into air-traffic control services in the province of Quebec, added Mr. Lang.

Mr. Sharp resigns from Cabinet

After serving for more than 13 years in the Government of Canada, Mitchell Sharp, President of the Privy Council and Government House Leader, resigned from the Cabinet on September 12. Mr. Sharp, who had written a letter of resignation to the Prime Minister in July "to be accepted at a time of his choosing", said that in view of the imminent Cabinet reshuffle and with Mr. Trudeau's consent, he wanted to release the letter dated July 15.

"I am releasing my letter now," said Mr. Sharp, "so that it will be abundantly clear that I took the initiative some months ago - in June - and that there are no reasons of policy disagreement for my action. As my letter says, I shall continue to support Mr. Trudeau and the Liberal Government."



Mr. Sharp, who was Secretary of State for External Affairs from 1968 to 1974, was first elected to the House of Commons and appointed Minister of Trade and Commerce in 1963. In December 1965, he became Minister of Finance and Receiver General of Canada.

Born in Winnipeg, Manitoba in 1911, Mitchell Sharp came to Ottawa in 1942 as an officer of the Department of Finance. In 1951 he was named Associate Deputy Minister of Trade and Commerce and became Deputy Minister

of that Department in 1957. He left public service in 1958 to become vice-president of Brazilian Traction, Light and Power Company and, at the invitation of the United Nations Secretary-General, he chaired the International Coffee Conference in New York during the summer of 1962.

Mr. Sharp said he had no plans to resign his seat in Parliament and intended to remain in the House of Commons as Member of Parliament for Toronto-Eglinton.

At the opening of the Lester B. Pearson building, headquarters of the External Affairs Department, (left) by Queen Elizabeth on August 1, 1973, Mitchell Sharp was Secretary of State for External Affairs. In the picture above, he chats with the Queen as they approach the building. Former Under-Secretary of State for External Affairs A.E. Ritchie, recently named Canada's Ambassador to Ireland, is on the Queen's right. Following are Prime Minister Trudeau and Mrs. Pearson, widow of former Prime Minister Lester B. Pearson.

Team Canada wins cup

A goal by Toronto's Darryl Sittler at 11:33 of "sudden death" overtime won Team Canada the Canada Cup hockey championship at the Montreal Forum on September 15. They beat Czechoslovakia 5-4 in the second game of the "best-of-three" final after a win of 6-0 in Toronto on September 13.

Present in the crowded Forum were Prime Minister Pierre Trudeau and Mrs. Trudeau, Health and Welfare Minister Marc Lalonde and Mrs. Lalonde and visiting British Prime Minister James Callaghan.

Mr. Trudeau presented the 150-pound nickel cup to captain Bobby Clarke after awards had been made to outstanding players on both teams, who had all exchanged sweaters, congratulating each other for fine performances

all through the series.

Canadian hockey veterans Maurice (the Rocket) and Henri (the Pocket Rocket) Richard, presented eskimo sculptures to Sittler and Czechoslovakian goalkeeper Vladimir Dzurilla as the most valuable players of the game. Defenceman Bobby Orr, goalkeeper Rogatien Vachon of Canada, and Milan Novy of Czechoslovakia also received prizes.

Team Canada also took first place in the final standings with a win of 3-1 over the U.S.S.R. on September 11 for a total of 8 points. Czechoslovakia was second with 7 points, the U.S.S.R. and Sweden had 5 points each, the United States 3 and Finland 2.

New law will spell out best buy for interest on savings

In a statement released September 3, Bryce Mackasey, Minister of Consumer and Corporate Affairs, said that the current review of banking legislation and the expected amendments to the Combines Investigation Act were not the only federal initiatives affecting financial institutions that are of major interest to consumers. "I will be introducing legislation to regulate and standardize the calculation, presentation and advertising of interest rates. The legislation will also provide severe penalties for loansharking and unscrupulous lending and debt-collection practices," said Mr. Mackasey.

"There is much confusion and unfairness in the present system, which results in many Canadians paying unnecessary amounts in interest on their debts and receiving insufficient interest on their savings. The proposed legislation will enable consumers to shop wisely for credit bargains and for maximum returns on their deposits in banks and other institutions because all Canadians will know precisely what the return on their deposits is and how it is calculated."

Referring to the white paper on banking legislation released August 23, Mr. Mackasey stated he was pleased with the way the paper made it clear that, except for agreements on interest rates among banks when required for reasons of monetary or fiscal policy and mergers required in the interests of stability of the financial system, the

whole area of competition among financial institutions remained the responsibility of the Department of Consumer and Corporate Affairs.

Although entry into the banking business will continue to be constrained in important ways by the requirements of the Bank Act, Mr. Mackasey said "the white paper assigns to the Department of Consumer and Corporate Affairs primary responsibility for ensuring the maximum degree of competition among existing chartered banks, foreign banks, near banks and all other lending institutions, and is to be welcomed by consumers".

On January 1, the provisions of the Combines Act relating to various monopolistic practices, apart from agreements to fix prices, were made applicable to the operations of all lending institutions, including the chartered banks. On July 1, the provisions of the Combines Act relating to price-fixing agreements were made applicable to all lending institutions except the chartered banks, which continued to be governed by provisions of the Bank Act against certain types of agreements.

Before the end of the year, Mr. Mackasey expects the second set of amendments to the Combines Act to be placed before Parliament. The provisions of the Combines Act relating to restrictive agreements and mergers will then apply to the chartered banks except in the special circumstances previously mentioned.

Remote sensing aids resource management

Remote sensing from aircraft and satellites is being used to monitor the environmental changes brought about by hydroelectric developments in James Bay, Quebec, and northern Manitoba.

The nature and size of both regions makes the collection of information a formidable task. The James Bay Development Corporation, for example, is responsible for an area of 138,000 square miles. The whole area is covered by 36 satellite images. Information obtained using remote-sensing techniques is proving valuable for classifying lakes, making inventories of forests, monitoring the movement of

ice and surveying wildlife.

The Canada Centre for Remote Sensing, a branch of the Department of Energy, Mines and Resources, is helping the Société de développement de la Baie James to carry out a lake-classification study, one of its most important environmental projects. The information being collected by aircraft on the conductivity, colour, depth, acidity, surface temperature and oxygen content of the many lakes in the region will be used to manage these resources.

In Manitoba, water from the Churchill River is being diverted through the Rat and Burntwood Rivers into the Nelson River to produce hydroelectric power. As a result, the level of Southern Indian Lake will rise ten feet, the flow of water through the Rat and Burntwood Rivers will increase by 30,000 feet a second, and the level of Lake Winnipeg will be regulated to store water for the power plant. Since the development will flood thousands of acres of land and change the flow of water through many channels and rivers, shoreline erosion, sedimentation patterns, ice conditions and water quality can be expected to change. Ultimately, all these factors will affect fisheries, wildlife and recreational areas. The changes must be monitored so that hazards to the environment can be detected early and perhaps reduced before they become unmanageable.

The Lake Winnipeg, Churchill and Nelson Rivers' Study Board has completed a project that predicts the impact of the hydroelectric project on the environment. Satellite imagery is helping to assess whether the actual impact is consistent with the study's predictions.

Israeli Foreign Minister to visit

Deputy Prime Minister and Foreign Minister Yigal Allon of Israel will visit Canada from September 27 to October 1. While in Ottawa, Mr. Allon will meet with Prime Minister Trudeau and will be the guest of honour at a dinner given by the Secretary of State for External Affairs.

Discussions will deal with bilateral relations, including the creation of a Joint Canada/Israel Economic Committee, as well as the situation in the Middle East.

Alaska Highway an example of Canada/U.S. co-operation

During the celebrations of the United States Bicentennial, many stories of friendship, co-operation and joint achievements with Canada are being recounted. While most of these memorable events are concentrated on the 49th Parallel, there are some interesting northern examples, one of which is the construction of the Alaska Highway, long considered an epic in road building.

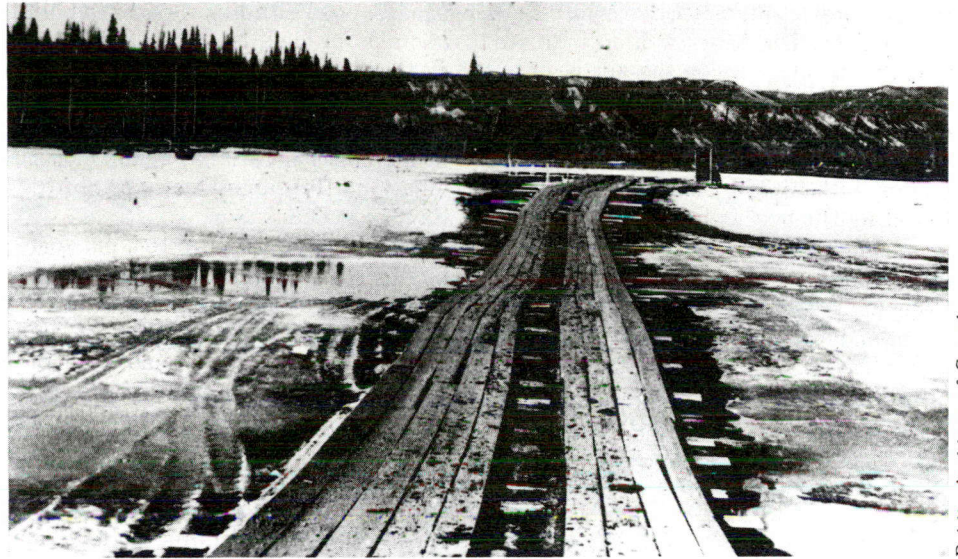
Started during the Second World War to provide a land route for war material and equipment to Alaska from the Canadian provinces and American states, the Alaska Highway was hammered through more than 1,500 miles of mountains, muskeg and mosquitoes. More than 11,000 U.S. troops, 16,000 civilian workmen from both countries and some 7,000 pieces of equipment were thrown into the Herculean task of penetrating a vast untamed wilderness. The construction bill for the 1,523-mile route was about \$140 million, which included 133 major bridges and more than 8,000 culverts which, if placed end to end, would stretch over 57 miles.

Then, on a bleak, cold November 29, 1942, a little more than nine months after the construction began, 250 shivering soldiers, civilians and Royal Canadian Mounted Policemen watched as officials from the United States and Canada cut the ribbon to officially open this major road link.

The ceremony took place at Mile 1061, known as "Soldiers Summit" and it crowned an event that has gone down in history as one of the construction triumphs of the world.

Since then, the Alaska Highway has developed into one of the most important transportation arteries in North America, stretching from Mile 0 at Dawson Creek, British Columbia, through the Yukon Territory, Canada and into Alaska at Fairbanks, U.S.

Jurisdiction over the Canadian section of the highway was turned over to the Canadian army in 1946 and all reconstruction and upgrading was carried out under Canadian army supervision until April 1, 1964 when the federal Department of Public Works took it over. On April 1, 1971, the maintenance of the Yukon section of the Alaska Highway was turned over to the



Public Archives of Canada

Alaska Highway construction across the Peace River, British Columbia, 1942.

Yukon Department of Highways and Public Works by the Federal Government.

Ever since the Alaska Highway was completed in the 1940s, a continual program of upgrading, widening and straightening has been under way. The Alaskans have paved their portion of the highway, while the Yukon section has been developed into one of the best all-weather gravel roads to be

found anywhere.

The Alaska Highway, once an emergency wartime road, has developed into a vital link between the giant industrial regions of the U.S. and Canada and the rich natural resources of Alaska and the Yukon. But, aside from the economic aspects of the highway, it also represents a permanent monument to the durable and warm friendship between two nations.

Immigration, first quarter

The 32,359 immigrants who came to Canada during the first quarter of 1976 represented a drop of 25.5 per cent from the number who came during the same period last year, according to statistics released September 3 by Manpower and Immigration Minister Robert Andras.

"This year's immigration has been

declining in all categories of immigrant and from all world areas," the Minister explained. "The drop reflects the effect of the regulation changes, announced in February and October 1974, that link the immigrant flow more closely to the needs of Canada's labour market."

Mr. Andras said that about 55 per cent of independent immigrants had pre-arranged employment, whereas the rate

	Total landings		Destined to labour force	
	1975	1976	1975	1976
Britain	9,124	5,248	4,718	2,683
U.S.A.	3,835	3,149	1,634	1,386
Hong Kong	2,198	2,449	1,036	1,050
India	2,372	1,817	713	362
Jamaica	1,967	1,583	756	439
Philippines	1,974	1,513	1,079	684
Portugal	2,672	1,071	375	270
Guyana	1,132	850	519	281
Italy	1,008	834	369	371
France	723	829	468	520
Total	27,005	19,343	11,667	8,046
World total	43,448	32,359	19,877	14,111

for the total immigrant movement was 25 per cent. The Minister also indicated that the match between the skills of immigrants and vacant jobs in Canada continues to improve.

Ontario continued to lead all provinces with 15,790 immigrants, followed by Quebec with 6,023, British Columbia 4,857, Alberta 3,051, Manitoba 1,236, Saskatchewan 494, New Brunswick 318, Nova Scotia 303, Newfoundland 177, Yukon and Northwest Territories 59 and Prince Edward Island 51.

The top five main occupational categories are: clerical 2,216; fabricating, assembling and repairing 2,031; natural sciences, engineering and mathematics 1,566; service industries 1,322; and managerial and administrative 1,185.

Source

Following trends of recent years, Europe remains the major source of immigrants; however, the flow declined to 35 per cent from 42.2 per cent in the first quarter a year ago. Asia and the Pacific increased to 26.9 per cent from 24.3 per cent; Africa and the Middle East increased to 8.8 per cent from 7.4 per cent; Western Hemisphere increased to 19.6 per cent from 17.3 per cent; and the United States increased to 9.7 per cent from 8.8 per cent.

Although totals are down, Britain and the United States continue to lead the list of top ten source countries.

'Visual telephone' could help handicapped communicate

A television documentary about the Ontario Crippled Children's Centre in Toronto gave Herb Bown an idea how children, who can neither speak nor write, could be helped to communicate. Staff at the Centre had physically

handicapped children using symbols to express an idea, a system developed by Charles Bliss, an Australian.

Mr. Bown's idea was to combine the symbols with a project, called image communications, at the Communications Research Centre at Shirley Bay, near Ottawa.

The demonstration system put together at CRC basically comprises large TV-like monitors connected to telephones. It makes it possible for one person to draw pictures and for another to see them at the other end of a telephone connection and both can act as if they have the same piece of paper to write on.

"We are developing a visual telephone, using the existing narrow band communication system, i.e., the telephone network. We want to provide people at a distance with a common visual space to use a pictographic language," says Mr. Bown.

He believes children at the Centre could be taught how to use the visual system. The symbols could be put in various combinations on screens to express sentences or even to tell

stories.

The in-house system has not actually been tried out at the Children's Centre for lack of resources. The way such a system would work has, however, been simulated in the communications laboratory at Shirley Bay.

"We are simulating systems, not developing a piece of hardware, in our communications lab," Mr. Bown explains. Mr. Bown and co-worker Bill Sawchuck presented a paper entitled "Interactive graphics applied to symbol communications for non-speaking children" at the annual conference in St. John's, Newfoundland, of the Association for Media and Technology in Education in Canada (AMTEC).

Many applications of image communications are envisaged. One for teaching would permit a student and teacher to discuss design of an electrical circuit. "We both sit at terminals," says Professor James Wells of the University of Manitoba, who spent a sabbatical year at CRC working on the project. "We use the computer to do some computations and display some information about the design we've just created."

News briefs

- Finance Minister Donald Macdonald eased anti-inflation controls on business September 8 in a review of the federal anti-inflation program, citing the need for more investment to create jobs and to avoid generating renewed inflation. A key change will permit investment credit for companies that invest in eligible new productive operations. They will be permitted to deduct 50 per cent of the value of these investments from any excess revenues in calculating allowable profits under the controls program. Counting investment credits, this means that companies will be able to increase present allowable profits by up to 10 per cent.
- Exports of crude oil to the U.S. will be reduced by 15,000 barrels a day to 435,000 on October 1, the National Energy Board said September 13. The cut results from an expected increase during October in the flow of western oil by pipeline into Montreal, which formerly was available for export.
- Energy Minister Alastair Gillespie says he can offer no easy solution for the gold mining industry, where econ-

omic troubles threaten to put miners out of work, especially in the Timmins, Ontario, area. Mining companies developed a renewed interest in gold when prices went to \$200 an ounce. But now that prices have dropped to about \$105 while production costs are still above \$130, the companies are seeking a federal subsidy. If Ottawa subsidized the cost of mining gold, how could it turn down other sectors when they came seeking aid, the Minister asks.

- The Canadian dollar has been rising in value against the U.S. dollar in trading on the inter-bank wholesale market. At the end of August it passed the \$1.02 (U.S.) level for the first time since August 3.
- To meet the increasing competition for deposits among financial institutions, the Toronto-Dominion Bank has waived the service charge for cheques on personal chequing accounts in which a minimum balance of \$200 has been maintained.
- Cutbacks in the civil service and government programs in Manitoba have been announced as the provincial government tries to reduce expenditures by between \$18 million and \$30 million.

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