



CANADA

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CANADA AND THE COMMONWEALTH

The following excerpts are from a recent address by Mr. L.B. Pearson, Prime Minister, to the Royal Commonwealth Society in Montreal:

...I sometimes think that there are three things in particular that happen to hold the Commonwealth together at the present time: Oxford, Cambridge and — except for Canada — cricket. But, above all, it seems to me that the really important bond that must be accepted by all is the bond of racial equality inside the Commonwealth, without any form of discrimination. That is the greatest value of the new Commonwealth. It is a multi-racial association at a time when the world is crying out for that kind of association. The Commonwealth can act in that sense as a bridge between the continents and between races through acceptance of the fact that there is not and cannot be in the world in which we live, any superior race — that, in Arnold Toynbee's memorable phrase, "the West is now surrounded by the world".

Now there is a danger that if this conception of racial equality and non-discrimination goes, the value of a multi-racial association goes. If that goes, if it is breached, if it is ignored, or if it is bypassed, then I think the Commonwealth will go. It will have great difficulty in remaining an association of any kind because the other and older traditions that I have mentioned are weakening as the new generations come to power. They may not in the future, in themselves, be strong enough to hold the Commonwealth together. Political and economic divisions inside the Commonwealth can be resolved or can be accepted, as they have been, but divisions on racial matters, along racial lines, if those divisions develop and persist, I think the Commonwealth,

as I have just said, may find great difficulty in remaining as any kind of an association.

RHODESIA — COMMONWEALTH CRISIS

Therein lies the importance, and the danger, of the situation we now face in Rhodesia. That situation in Rhodesia at the present time represents a break in the evolution of African colonies to independence based on the rule of the majority, at least of the majority in terms of black and white. Every British-African colony that has become free has achieved its freedom on that basis. Perhaps it might have been better if the freedom had been postponed until there was a better chance of orderly development; more time may have been needed in some cases for such development. But it is idle to argue about that now because it has happened. It happened quickly and completely in all the African colonies, with good will on both sides and in most cases with a British legacy of law and administrative order to build on.

Rhodesia however was different. Rhodesia has been a self-governing colony for many years — a self-governing colony based on white supremacy. Because of the industry and the initiative and the intelligence and the dedication of that white minority, Rhodesia had made great progress and had many important achievements to their credit. There is no doubt about that. It couldn't have happened without the white colonists. But whatever may be the arguments for or against this kind of white development, the fact is that white minority rule is not now acceptable in 1966 as a basis for independence in any part of the world. That is what makes the situation in Rhodesia now, where there is an effort

to maintain such white minority supremacy, a genuine crisis in the history of the Commonwealth.

The central question in this crisis is whether the 8 percent minority of whites can rule a 92 percent minority of coloured until they, the minority, are ready to turn over such rule to the majority. The present régime in Rhodesia accepts that conception and has declared illegally, as I see it, independence on that basis. It did that because Britain, which still has the primary responsibility for Rhodesia, under Commonwealth pressure and under its own domestic pressures was forcing the pace to effective participation of the majority in the rule of their country.

At the present time, to Africans in the Commonwealth, the central and crucial question as it appears to them is, will Britain, supported by the other members of the Commonwealth, allow an illegal minority white régime, as they put it, "to get away with it". Or will they take effective action to change that régime? If that question is not settled, to the satisfaction of all the members of the Commonwealth, there is not likely to remain any multi-racial Commonwealth. Surely therefore it is our duty to do what we can to ensure that we can find this kind of satisfactory settlement.

At the Conference in Lagos, at which we dealt with this problem, the African members demanded - most of them demanded - that Britain use military force to overthrow the Smith régime. Canada and some others in the Commonwealth opposed this demand. We thought that we should try economic sanctions. We decided to do that, as you know. The sanctions haven't worked as quickly as expected. There have been leaks, especially oil leaks, which have prevented the quick action that some people at that time hoped would take place. Yet I feel the economic pressure is having its effect. That is, I think, the main reason why the talks have been going on - talks about talks - in London. I consider this to be an encouraging development and not, in any sense, a betrayal by the British Government of its obligations to the other members of the Commonwealth undertaken at the Conference last January.

CONTINUE SANCTIONS

I think it would be a great mistake to adopt now, military measures, or even compulsory sanctions, under Chapter VII of the United Nations Charter, such as those in the current resolution before the Security Council of the United Nations. If we took that kind of drastic action at this time we would drive South Africa, Portugal and Rhodesia closer together. I don't think this kind of compulsory action, military action or compulsory economic action, would act as quickly as we might hope. Racial disturbances would spread and there would be bloodshed. We would not, I believe, have as good an opportunity of achieving a settlement that would be permanent and orderly. If we can show a little more patience, allow economic sanctions, the kind we have in effect now, to continue their pressure, we may resolve the situation without force. We shouldn't despair because in six months the existing sanctions haven't produced that kind of settlement. A lasting and good solution

is worth waiting for especially when the hasty use of force could lead to a poor solution.

AID DEVELOPING NATIONS

There are danger signals for the Commonwealth. But there are also encouraging developments in our association. The fact that we are, within the association, accepting obligations to each other in the form of mutual aid and collective assistance of every kind, that is important and encouraging. We are increasing our own external aid every year, until I hope within a few years we will be able to reach a point where we put aside 1 per cent of our national income for external aid. Much of that is going to Commonwealth countries as we all feel a certain special obligation to Commonwealth countries. I know that feeling, more even perhaps than the aid itself, is appreciated by the other Commonwealth members. We Canadians have been privileged to assist in the economic development of some of the materially under-developed countries in the Commonwealth. We have assisted in defence aid, in training and equipment, noticeably in Tanzania at the present time. There are hundreds of Commonwealth scholars and trainees in Canada and Canadians are serving in Commonwealth countries. Wherever I go I find Canadians helping in every form of activity imaginable and, when I talk to them, as I always try to wherever I travel, I find that not only are they willing to be there, they're proud and happy to be there, to take part in the exciting development of new countries.

WEST INDIES

In Canada, I think we should have a special feeling of obligation to help the West Indies members of the Commonwealth. We have a long and constructive tradition in our contact with the West Indies. As Britain is giving up some of the burden of responsibility, asking to be freed from some of the obligations and privileges it has undertaken over the years, and as these countries in the West Indies become independent, I think Canadians should be very proud to move into the West Indies, and help, in a special way, to help fill the gap which may be brought about, in material development, by the withdrawal of Britain. We are hoping to do that.

We are having a conference of all the West Indies members of the Commonwealth and Empire in Ottawa in early July; not only those three countries which will be independent by that time, but every colony. We are doing this with the approval and the participation of the British Government which is still responsible for the British colonial part of the West Indies. Out of this conference I hope there will develop stronger relations, mutually profitable, between Canada and our friends in the West Indies.

UK IS THE CORE

These multi-lateral relations, then, are growing. That is encouraging. We should never forget, however, as the Commonwealth changes, that Britain still remains the very centre and the heart of the association. That is natural and that is right. It seems to me the Commonwealth would be quite impossible

ATTACK ON POLLUTION

Scientists employed by the Federal Government will launch a large-scale assault this summer on the problem of pollution in the Great Lakes.

"This is a part of the growing federal effort to combat this serious problem in the Great Lakes", Mr. Jean Luc Pépin, Minister of Mines and Technical Surveys, said recently. "It represents a more tightly co-ordinated approach to understanding Great Lakes pollution than has been possible in the past. Three important federal agencies, my own Department, the Department of National Health and Welfare, and the Fisheries Research Board are combining forces — each agency contributing money and scientists to conduct the special studies for which they are best qualified. On the provincial side, the Ontario Water Resources Commission is carrying out its investigations which are intimately co-ordinated with those of the federal agencies".

CONCERTED ACTION

Each federal agency will, according to Mr. Pépin, attack problems requiring its special talents and knowledge, and the information obtained will finally be collated. His own Department will be concentrating on physical studies of the Lakes. The Department of National Health and Welfare will, Mr. Pépin added, be concerned with health hazards, water quality and bacteriology. The Fisheries Research Board is preparing for intensive studies on the problem of enrichment of the waters. The Ontario Water Resources Commission is concentrating on measurements of the discharge of pollutants from tributaries and the near-shore distribution for Lake Erie and a large part of Lake Ontario. Similar measurements are being made by the Department of National Health and Welfare in the eastern portion of Lake Ontario and the international section of the St. Lawrence River.

For part of the programme, Mines and Technical Surveys has chartered the 136-foot stern trawler *Brandal*, and fitted it out as a survey and research ship. The *Brandal* will be working out of Kingston, Ontario, where shore laboratories and supply depots of the two Federal Departments are located. Two 30-foot launches will be employed in the National Health and Welfare programme.

Under contract with the Federal Government, the Great Lakes Institute will make co-ordinated studies in Lake Ontario and Lake Erie. "This year we are concentrating our studies in Lake Ontario to bring our knowledge of that lake up to what we know are the conditions in Lake Erie", said Mr. Pépin. "We want to be able to spot signs of any serious deterioration there before it develops".

EXPENDITURES

"Over \$1.5 million will be invested in this study of the lower lakes this year — 90 per cent of the cost being borne by the Federal Government. This investment will grow from year to year, reaching an estimated level of over \$5 million by 1970. It is my task to make sure that these investments by various agencies are applied to the most pressing problems

in a co-operative and co-ordinated way", said the Minister. "This co-operation has been growing closer as the magnitude of the problem has become recognized and the capabilities of the co-operating agencies have been developed".

PM CONFERENCE LEADER

Prime Minister Pearson announced recently that he would head the Canadian delegation at the Canada-West Indies Conference to be held in Ottawa in July. Other delegations will be led also by heads of government.

Mr. Pearson also announced the appointment of Mr. J.R. McKinney, a senior official of the Department of External Affairs, as General Secretary of the Conference. Mr. McKinney will be responsible for co-ordinating Conference preparations and arrangements on behalf of Canada, the host country, and will have assigned to him for this purpose a small secretariat composed of officials from various government departments.

AGENDA

The Conference will discuss relations between Canada and the Commonwealth Caribbean countries under the headings of trade, development aid, transport and communications, migration, other economic questions, international questions of mutual interest and cultural relations.

CANADA-U.K. TAX AGREEMENT

Mr. Mitchell Sharp, Minister of Finance, announced recently that the agreement signed December 6, 1965, between Canada and Britain for the avoidance of double taxation on certain classes of income has now been brought into force.

The agreement establishes a general rule, similar to that in other Canadian tax agreements, that pensions and annuities will be taxable only in the country where the recipient is resident. This is supplemented, in the case of certain government pensions, by an alternative rule that may be used by the recipients of these pensions if they choose. The purpose of the alternative rule is to preserve the position that persons in receipt of these government pensions had under the 1946 agreement that ceased to apply in Canada after December 31, 1964. Under this alternative rule, pensions that are paid in respect of Canadian or British government or military services and meet the conditions laid down in the agreement, are taxable only in the country of source. Because income tax in Britain is, in general, heavier than in Canada, it is expected that most residents of Canada who receive government pensions from Britain or Northern Ireland will choose to be taxed in Canada instead of Britain.

Another provision of the agreement is that copy-

right royalties and similar payments for the use of literary, dramatic, musical or artistic materials (excluding royalties for motion picture or television films) shall be exempt from tax in the country where the royalty or other payment has its source.

All the provisions will apply retroactively to the dates when the old agreement ceased to have effect.

Under the new agreement, a resident in Canada may be entitled to a refund of income tax levied in Britain on pensions, annuities and copyright royalties received from sources in Britain.

CANADIAN ORCHESTRA IN BELGIUM

Mr. Paul Martin, the Secretary of State for External Affairs announced recently that the Hart House Orchestra of Toronto would give a series of concerts at the Palais des Beaux-Arts in Brussels and on the Belgian television network early in June, under the federal programme of cultural exchanges with French-speaking countries in Europe. The orchestra will be under the direction of its conductor, Dr. Boyd Neel.

Mr. Martin said that he welcomed the opportunity being given to this Canadian chamber music orchestra to perform in the Belgian capital, thus helping to make Canadian music better known in that country.

CONSUMER PRICE INDEXES

Consumer price indexes advanced during March and April in eight of the ten regional cities and declined in two. Increases ranged from 0.1 per cent in Saskatoon-Regina to 1.0 per cent in Ottawa. The Winnipeg index decreased 0.1 per cent and the Vancouver index decreased 0.3 per cent.

April indexes advanced or remained steady in all cases except for recreation and reading in Halifax, food in Winnipeg, transportation, and recreation and reading in Edmonton-Calgary, food, transportation, and health and personal care in Vancouver. Food indexes were higher in eight cities and lower in two. Housing indexes moved up slightly in eight cities and held steady in two. Clothing indexes increased in all ten cities. Indexes for transportation were higher in five cities, lower in two, and unchanged in three. Health-and-personal-care indexes rose in nine cities and fell in one. Recreation-and-reading indexes showed mixed movements with increases in six cities, decreases in two, and no change in two. Tobacco-and-alcohol indexes remained at March levels in six cities and advanced in four.

REGIONAL INDEXES

St. John's - The all-items index rose 0.4 per cent to 125.3 from 124.8, mainly as a result of higher food prices. Indexes for clothing, transportation, and health and personal care moved up fractionally while the indexes for housing, recreation and reading,

and tobacco and alcohol remained unchanged.

Halifax - An increase of 0.7 per cent in the all-items index to 137.9 from 136.9, reflected higher indexes for food, housing, clothing, and health and personal care. Indexes for transportation and tobacco and alcohol were constant, while the recreation-and-reading index was slightly lower.

Saint John - With higher indexes for five of the main component groups, the all-items index advanced 0.6 per cent, to 139.7 from 138.8. The indexes for recreation and reading, and tobacco and alcohol remained at March levels.

Montreal - The all-items index advanced 0.4 per cent to 141.6 from 141.1. Six of the main component indexes registered upward movements. The transportation index was unchanged.

Ottawa - A rise of 1.0 per cent in the all-items index, to 143.4 from 142.0, reflected the impact of the higher sales tax on the non-food group indexes. Price increases were recorded for dentists' fees. The clothing index advanced 2.0 per cent to 130.7 from 128.2, and the tobacco and alcohol index was up 3.0 per cent to 132.6 from 128.7. Increases in the remaining five component groups were associated with the new tax rates levied in Ontario.

Toronto - An increase of 0.9 per cent in the all-items index, to 145.8 from 144.5, resulted mainly from the change in the Ontario sales tax. Higher prices were reported for dentists' fees. The clothing index advanced 2.0 per cent to 133.9 from 131.3 and the tobacco and alcohol index rose 3.3 per cent to 129.9 from 125.7. Prices in the remaining groups also moved up with the new Ontario tax rates.

Winnipeg - The all-items index declined 0.1 per cent to 138.7 from 138.8. A decrease of 0.4 per cent in the food index, to 142.3 from 142.9, outweighed slight increases in the indexes for clothing, health and personal care, and recreation and reading. Indexes for housing, transportation, and tobacco and alcohol were unchanged.

Saskatoon-Regina - The all-items index edged up 0.1 per cent to 135.2 from 135.0. Six of the main component indexes were fractionally higher. The tobacco and alcohol index held steady.

Edmonton-Calgary - An increase of 0.3 per cent in the all-items index, to 133.3 from 132.9, resulted from upward movements in the indexes for food, housing, clothing, and health and personal care. Indexes for transportation and recreation and reading declined while the tobacco and alcohol index remained unchanged.

Vancouver - Lower indexes for food, transportation, and health and personal care moved the all-items index to 137.5 from 137.9, a decrease of 0.3 per cent. Indexes for housing, clothing, recreation and reading and tobacco and alcohol were slightly higher than in March.

SCIENCE COUNCIL APPOINTMENTS

Prime Minister Pearson recently announced the appointment of Dr. O.M. Solandt, Chancellor of the University of Toronto, as Chairman, and Dr. Roger Gaudry, Rector of the University of Montreal, as Vice-Chairman of the newly-created Science Council of Canada.

The appointment of 25 members and four associate members of the Council will be made in the near future. With a membership drawn from industry, universities, and government, the Science Council will "assess Canada's scientific and technological resources, requirements and potentialities" and "make recommendations thereon".... The Prime Minister will report to Parliament on the work of the new body.

ADVISORY ONLY

Unlike the National Research Council, the Defence Research Board and other agencies or departments of government, the Science Council will be exclusively advisory. While it will have no laboratories and no authority over the expenditure or budget of any government department or agency, it will call for intensive studies of science and technology in Canada and will provide information and advice for the formation of policies and plans for the future. Its professional and administrative support will be drawn from the science secretariat of the Privy Council Office.

In its advisory capacity, the Science Council will be expected to delineate for the first time, in broad terms, the spheres of science and technology that may be expected to contribute most to the country's economic and social aims and to indicate how their development can best be organized and supported. The work of the Science Council in this respect will resemble that of the Economic Council of Canada.

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RECREATION SYMPOSIUM

National Health and Welfare Minister MacEachen recently announced a grant of \$25,000 toward the staging of a Canadian Symposium of Recreation in Montreal in June 1967.

The symposium, which will have the general theme of "Man and his Leisure", will bring together nearly 2,000 delegates representing every organization connected with the leisure activities of Canadians. It is being sponsored jointly by the Canadian Association for Health, Physical Education and Recreation, the Parks and Recreation Association of Canada, L'Association Canadienne des Centres de Loisirs and the Recreation Division of the Parks Department of the city of Montreal.

The major part of the week-long meeting will be devoted to lectures by some of the world's outstanding authorities on recreation. Workshops, discussion groups, demonstrations of methods and techniques will also be held.

The grant, under the provisions of the Fitness and Amateur Sport programme, was made on the recommendation of the National Advisory Council on Fitness and Amateur Sport.

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MEETING ON SECURITIES LAW

Prime Minister Pearson has announced that a federal-provincial meeting of officials to discuss financial disclosure and securities regulations will be held in Ottawa in June. All provinces will participate.

The conference will review measures undertaken at the federal and provincial levels and look into the possibility of closer co-operation.

The Federal Government has appointed a special group which includes government officials and outside consultants, to prepare for the meeting.

The federal team has visited all provincial capitals for preliminary discussions of the subjects to be considered. These include the advantages of accurate and extensive disclosure of financial and corporate information and current methods regulating securities and preventing fraud.

The conference will also consider improved co-ordination and greater uniformity of securities and company legislation, as a means of maintaining a climate favourable to investment and of promoting the best use of capital for Canadian development.

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CANADA AND THE COMMONWEALTH

(Continued from P. 2)

without Britain maintaining this place. There is no one else who could possibly take it. That is why the crisis in Rhodesia today, though primarily Britain's responsibility, must be solved satisfactorily so that Britain can maintain its position as the heart and core of the Commonwealth association.

The days of imperial expansion are over, the days of British rule outside Britain are over. But the break-up of an empire - and this perhaps is one of the greatest glories in the long history of Britain - the break-up of an empire has not led to bitterness, but to Commonwealth co-operation in a multi-racial association of equals, each having its own interests, and policies, and each in its own stage of political and economic development; all of them without any special commitments or obligations to other members of the Commonwealth and, indeed, some of them with bitter and continuing conflicts among themselves; but all, so far as I can see, in spite of all this, still anxious to retain this association.

I don't see any easy road ahead for the Commonwealth. But I do not see any desire to end its long and valuable record of progress and achievement and co-operation. Rhodesia remains a red flare of warning. India and Pakistan have yet to compose

