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Choice of Canada's new fighter aircraft narrowed to two

Two fighter planes made in the United States are the remaining contenders receiving final consideration as replacements for the Canadian Forces CF-104, the CF-101 and the CF-5 to meet Canada's needs to the end of the century (see Canada Weekly dated October 12, 1977, Page 3).

Severe restraints — "the number of aircraft required and the set amount of money to buy them" — had influenced the Cabinet's decision to narrow the choice of planes to General Dynamics' CF-16 and McDonnell Douglas' CF-18A, said Defence Minister Barney Danson in an announcement to the House of Commons on November 23.

Mr. Danson detailed reasons for the decision as follows:

* * * *

...The Government...has now informed four of the competing manufacturers that their aircraft are no longer in the competition. These are: Grumman with the *F-14 Tomcat*; McDonnell-Douglas with the *F-15 Eagle*; Panavia with the *Tornado*, and Northrop with the *CF-18L Cobra*.

The finalists will be the General Dynamics' *CF-16* and the McDonnell-Douglas/Northrop *CF-18A*, which are the Canadian versions of these aircraft. The Government has also decided against further consideration of a mixed fleet of fighters. The Governments of the Federal Republic of Germany, Great Britain, Italy and United States, which all have been following this selection process with keen interest, are also being informed of this development.

Direction has now been given to the interdepartmental program office to initiate discussions leading to the negotiation of draft contracts with the two prime manufacturers remaining in competition. In addition to the very important questions of aircraft capability, fleet size, delivery schedule, and optimum phasing of payments, emphasis will be placed on negotiating the best mix of industrial benefits for Canada. In these negotiations particular attention will be paid to arrangements that could contribute to the growth of research and development activity in Canada, as well as high technology industry which complements our geography and resources. Emphasis also will be given to ensuring that all regions of the country

will have full opportunity to participate in this program.

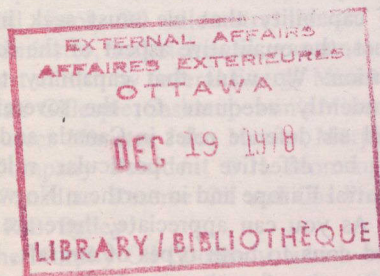
Months before final decision

I expect that it will be several months before I am in a position to present a comparative analysis of draft contracts to Cabinet for final selection of a new fighter aircraft. I am sure that those of you who have followed the evolution of the program since its start, in March 1977, have come to realize the magnitude of the task facing the Government in this selection process. At the end of June, as you will recall, the Government decided to allow additional time to permit manufacturers to refine their initial proposals. I am pleased to report that by the new deadline of August 1 all had responded with offers that contained substantial improvements over their earlier proposals.

Requirements

Our numerical requirement of between 130 and 150 aircraft is critical to our capability to meet our domestic and European commitments. We are indeed disappointed that procurement of sufficient numbers of *F-14s*, *F-15s* or *Tornados* could not be accommodated within our set budget of \$2.34 billion in August 1977 dollars.

Our evaluation also revealed that acquisition of a mixed fleet would bring little or no benefit in terms of fleet size and that operation of such a fleet would bring substantial liabilities, including double training and logistics support sys-



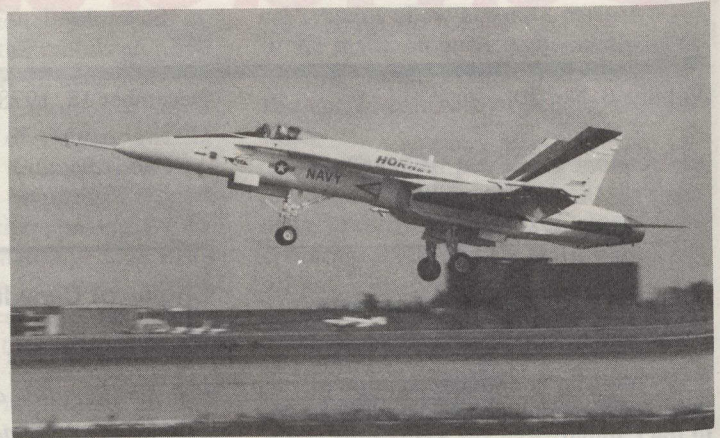
Thirty-four years ago Saturday...

Lester B. Pearson was appointed Canadian Ambassador to the United States.

Dec. 13/78



General Dynamics' F-16 (Canadian version CF-16).



McDonnell Douglas' F-18A (Canadian version CF-18A).

tems over the life span of the aircraft.

The two most severe constraints that we face, and will continue to face, are the number of aircraft required and the set amount of money to buy them. Our task, then, is to buy the best military aircraft available within those constraints, while seeking the best possible industrial benefits with a minimum of project risk.

Suitability

In addition to cost and numbers, there are other considerations that serve to favour the two aircraft we have kept in the process. To begin with, there is the military and political assessment that we have made of the current — and to a certain extent, anticipated — strategic situation that we are facing.

We have come to the conclusion that an adequate number of the smaller aircraft equipped with radar guided air-to-air missiles and suitably deployed across Canada, could afford us the capability to exercise our sovereignty fully by intercepting, identifying, and if necessary, destroying aircraft that might be probing into Canadian airspace. Having this type of prudent capability, we believe, would deter probes and offer adequate protection against the possibility of a bomber attack on the North American continent.

Having eliminated the three most expensive systems from the competition, three remained — the *CF-16*, the *CF-18A* and the *CF-18L* — that met or came very close to meeting our numerical requirements within the budgetary envelope while being able to meet the most likely military challenges.

The *CF-18L* proposed by Northrop could meet these most likely challenges and probably be acquired in sufficient quantities. Potentially, it also provides a

very attractive package of industrial benefits. However, we have assessed as very considerable the risk of committing Canada to buying a sophisticated aircraft that is not in service with any other country. At this time, I consider all the various types of risk which could be involved in the development and initial introduction into operational service of this aircraft are greater than we either need or are prepared to accept. Moreover, even in the best of circumstances, the delivery schedule of the *CF-18L* is likely to be markedly behind that required for the timely replacement of our *CF-101* and *CF-104* aircraft.

Pros and cons

The *CF-16* is a single-engine aircraft which has been selected by five of our NATO allies, including the United States. Should the *CF-16* be acquired, Canada would of course have extensive commonality with NATO allies in Europe. While this aircraft does not have the degree of sophistication of the larger aircraft, it does have acceptable capability and is the only aircraft which at this point meets the numbers required.

The other fighter remaining in the competition, the *CF-18A*, offers us another set of possibilities. It may be more expensive than the *CF-16* would be; therefore we can expect to acquire fewer, although I am optimistic that an adequate number to meet our rules can be acquired in negotiations. Purchase of this aircraft could allow for co-operative logistics arrangements with the United States.

On the other hand, being a twin-engined, somewhat larger aircraft, the *CF-18A* offers some definite advantages of its own. These include a good potential for growth, or a capability to be fitted

with new systems that may be necessary to cater to future demands made of a fighter aircraft. The *CF-18A* also currently has more advanced all-weather capabilities in the context of sovereignty protection and air defence.

We must recognize, however, that in both military and political terms, a major consideration for Canada is collective security in Europe. This is where the philosophy, or strategy, of deterrence, common to all members of the NATO alliance, is subject to its greatest challenge, in the light of qualitative and quantitative improvements to the forces of the Warsaw Pact countries.

It is important that our own contributions to collective security be quantitatively and qualitatively adequate for deterrence. Quantitatively, this means a number of aircraft at least equal to that we now commit to the alliance in central Europe and to the northern flank. This total number of aircraft, plus some for training and attrition, makes up well over half of our total requirement. This is clearly a factor that influences the type of capability that we must seek in the fleet, the qualitative aspect of the contribution. We want that capability to be prudently adequate for the sovereignty and air defence roles in Canada and also to be effective in particular roles in central Europe and in northern Norway.

As you can appreciate, there are pros and cons to both types of aircraft. I can assure you that there were also some pros and cons to all aircraft that have now been eliminated. Our request for proposal provided a standard which enabled us to obtain truly comparable data for all contenders. No single aircraft could possibly have met all specifications given in

(Continued on P. 8)

Prime Minister announces creation of ministerial economic board and changes in the Cabinet

The creation of a Board of Economic Development Ministers, changes in the Cabinet and the disbanding of the Ministry of State for Urban Affairs (MSUA) were announced by the Prime Minister on November 24.

The formation of the senior board of ministers, presided over by former Treasury Board President Robert Andras, is a major shift in Cabinet organization, and is designed to strengthen efforts to promote economic development.

The establishment of the new body, which will co-ordinate and consolidate all Government economic programs, follows the restraint measures and shift in priorities announced by the Prime Minister on August 1, towards support for economic growth. All economic development proposals must be approved by the Board before going forward to Cabinet and the Treasury Board.

Mr. Trudeau said that six "senior" ministers had been named to sit on what is in effect an inner Cabinet for economic affairs. Other members of the Board of Economic Development Ministers will be the Ministers of Industry, Trade and Commerce; Employment and Immigration; Regional Economic Expansion; Energy, Mines and Resources; Labour; Small Business, Revenue and Science and Technology. In view of their comprehensive responsibilities for economic policy and financial management, the Minister of Finance and the President of the Treasury

Board will sit as *ex officio* members of the Economic Development Board.

Mr. Andras' first task will be to carry forward the industrial sector review with business and labour resulting from the First Ministers' Conference in February, and to lead the Government's efforts to enhance co-operation and consultation with the provinces as well as the private sector.

Disbanding of Urban Affairs

The decision to disband the Ministry of State for Urban Affairs, effective March 31, 1979, was taken to reduce expenditures, and to limit the scope of federal activity in areas where there is obvious potential for duplication of effort with other levels of government.

Urban Affairs Minister André Ouellet has been named Minister of Public Works, and will retain responsibility for Central Mortgage and Housing Corporation and the National Capital Commission. He remains Minister of State for Urban Affairs until March 31, 1979.

The MSUA was created in 1971 under a section of the Government Organization Act providing for the temporary establishment of such ministries to develop policy in specified areas. The Government of Canada will continue to be concerned with urban development and the quality of urban life. Federal departments and agencies will co-operate actively with provincial and local authorities in support

of their urban plans and priorities.

Cabinet changes

The following appointments to the Cabinet were announced:

- Robert K. Andras, formerly President of the Treasury Board, is President of the Board of Economic Development Ministers.
- Alastair William Gillespie is Minister of State for Science and Technology and remains Minister of Energy, Mines and Resources.
- Martin Patrick O'Connell, a new appointee, is Minister of Labour. Mr. O'Connell held the labour portfolio for a brief period in 1972.
- André Ouellet is Minister of Public Works.
- Marc Lalonde, formerly Minister of State for Federal-Provincial Relations, is Minister of Justice and Attorney General of Canada; Minister responsible for the Status of Women.
- J. Judd Buchanan, formerly Minister of Public Works and Minister of State for Science and Technology, is President of the Treasury Board.
- Anthony Chisholm Abbott is Minister of National Revenue and remains Minister of State (Small Business).
- John M. Reid, a new appointee, is Minister of State for Federal-Provincial Relations.
- Pierre De Bané, a new appointee, is Minister of Supply and Services.

Saskatchewan oil recovery plan

An experiment to extract heavy oil in the Eyehill Pool, 90 kilometres south of Lloydminster, Saskatchewan, was announced last month by federal Energy Minister Alastair Gillespie, Saskatchewan's Mineral Resources Minister John Messer, Murphy Oil Company President B.H. Monzingo, and Canadian Reserve Oil and Gas President R.B. Bailey.

The Murphy Oil Company, which will be in charge of operations for the pilot program, will use a combined combustion and steam injection system to drill 25 new wells about 770 metres deep on ten-acre spacing. Air will be injected down nine wells to support combustion which will heat the oil in the formation. Steam will be injected down the remaining 16

wells to improve oil production.

The wells and facilities are expected to cost \$8.5 million, with operating costs of \$1.9 million a year.

The Governments of Canada and Saskatchewan will contribute \$2 million each under terms of the Canada-Saskatchewan Heavy Oil Agreement. This agreement, signed in October 1976, allocated \$16.2 million for shared cost programs to develop techniques in the recovery of heavy oil applicable to the Lloydminster oil field and similar ones.

Oil wells under primary production in the Eyehill-Senlac area can only recover 1 per cent of the estimated 1 billion barrels of oil there. The method of enhanced recovery which Murphy will use is expected to increase the recovery level to 40 per cent.

New year brings ban on PCBs

Use of highly toxic polychlorinated biphenyls will be prohibited in all new products effective January 1. New restrictions will prohibit the import, manufacture, processing or sale of PCBs in all areas.

PCBs, which have been linked with cancer, liver damage and birth defects, are considered a serious environmental problem because of widespread distribution, resistance to decomposition and tendency to accumulate in food chains.

Recent publicity about a 1,500-gallon spill of PCBs in Regina has aroused much public and scientific concern.

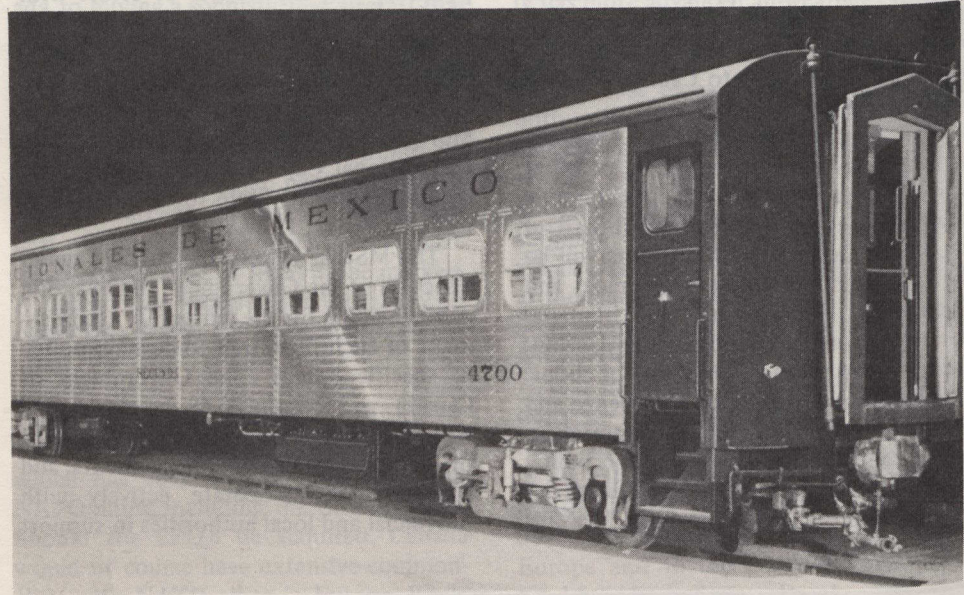
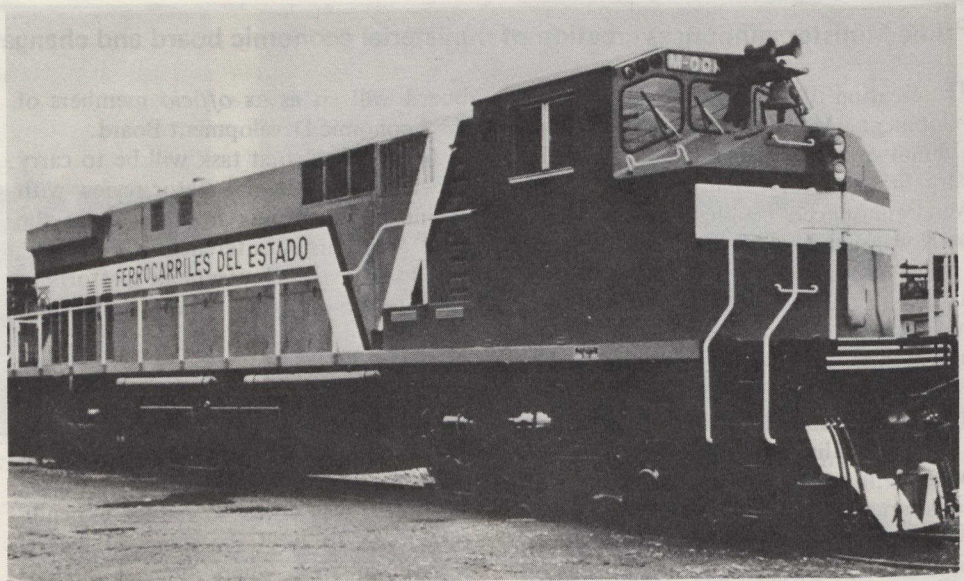
In 1973, 1,000 gallons of the dangerous chemical spilled at Dowling, near Sudbury, Ontario.

Interest in Latin American railways

Canada's membership in the Pan American Railway Congress Association (PARCA), announced in mid-October by Industry, Trade and Commerce Minister Jack Horner, will strengthen this country's involvement with railway projects in Latin America. PARCA, a railway technical organization with membership including the countries of South, Central and North America, promotes railroad developments through research, study and information exchanges.

A Canadian delegation attended the fourteenth PARCA meeting in Lima, Peru, November 6 to 15, headed by the Director General of the Transportation and Industries Branch, Department of Industry, Trade and Commerce, Martin Brennan, and Canadian Ambassador to the Organization of American States, Arthur Blanchette. Representatives of other government agencies and from private industry were included in the delegation.

During the past few years, the Canadian Government and private industry have been involved in a variety of railway projects in PARCA member countries, including Mexico, Brazil, Costa Rica, Venezuela, Peru, Cuba, Colombia and El Salvador. Canadian companies have exported quantities of rail, locomotives, freight cars, passenger cars, track maintenance machinery and various other railroad equipment, as well as technical expertise to these countries. In the past year, for example, export contracts worth a total of over \$100 million have been signed with Latin American countries.



(Top) Canadian MLW locomotive for use in Venezuela.

(Above) Hawker-Siddeley Canada passenger cars for Mexico.

(Left) Canadian Ambassador to the Organization of American States (OAS) (alternate leader of the Canadian delegation to the Pan American Railway Congress Association (PARCA) Arthur Blanchette (left), and Director-General, Transportation and Industries Branch, Industry, Trade and Commerce (leader of the Canadian delegation to PARCA) Martin Brennan at the association's meeting in Lima last month.

News of the arts

Greening of Sudbury

For years Sudbury, Ontario and its rocky environs were the victims of jokes and jibes because of the blackened, barren topography which was the result of decades of exposure to noxious gases from copper and nickel smelting.

Today there is a remarkable visual difference in and around Sudbury. Ground vegetation, new hardwood and softwood growth is showing in increasing degree and effect around this mining centre.

In homeowners' gardens, the tomatoes are fatter and the green beans longer.

Around the broad, landscaped grounds of the new regional government buildings in downtown Sudbury, the flower beds are an effusion of colour in spring and the grass is a rich spread of green. The greening of Sudbury is fact.

Co-ordinated effort

What is behind it all is a successful co-ordination of effort from many fronts — industry, three levels of government and the educational community — to bring back the ground health and vegetation.

In so doing, it's a testament to the fact that environmental objectives and industrial necessities can both be accommodated — and achieved — given effort and patience in an atmosphere of goodwill.

One single factor that has made the whole program work is the existence of International Nickel's superstack — the 600-metre stack, completed in 1972, to lift high and disperse far sulphur dioxide emissions from the Copper Cliff smelter.

The burning effect of smelting emissions over decades, from the early years of the century when smelting was done by enormous "bonfires" over and under the mined ores, has contributed to the stunting of vegetation.

The effort to make the greening work has come from several quarters.

The major mining companies, Inco and Falconbridge Nickel Mines, have had their own vegetation and land reclamation projects under way for a number of years. This work, funded entirely by the companies, is now beginning to show results in marked terms.

More recently, the Regional Municipality of Sudbury formed a vegetation enhancement committee, drawing on suggestions and participation from industry, Laurentian University and Cambrian College, the Ontario Ministry of Natural Resources

and local citizens to get the greening program going. This year the Federal Government provided some \$170,000 of Young Canada Works grants.

Seven projects

Over 160 students worked last summer under the direction of Sudbury region municipal personnel, tackling seven separate projects:

- grass seeding on about 200 acres of land on highway rights-of-way and public lands along major entry corridors into the region;
 - improvement of existing vegetation along several major highway corridors, including removal of dead trees, limbs and slash to be chipped and used for mulch;
 - widespread pH and soil nutrient sampling of barren and semi-barren lands along highways. This determines the amount of treatment necessary for successful greening;
 - collection of native seeds to provide a source of native grasses and trees for future greening projects;
 - application of lime or fertilizer to about 300 acres of land where existing vegetation is sparse or damaged;
 - transplanting of native plant species which have adapted to Sudbury's environmental conditions caused by past pollution;
 - digging composting pits at the site of an area intended for revegetation. This project is largely experimental and provides valuable research for large-scale composting which will result if the region builds a composting plant to treat garbage.
- Efforts to bring back healthier tree growth in the region are tied closely to the work to bring balance back to the soil and revive basic vegetation growth. Both had long been ravaged by sulphur contamination and forest fires in past years.

Old age security improvements

Amendments to the Old Age Security (OAS) Act put forward by Health and Welfare Minister Monique Bégin received Royal Assent on November 20.

The first amendment was part of a package of proposals announced this autumn, designed to realign social programs in Canada, providing money where it is most needed. Under this provision, after the normal cost-of-living increase is made for January, the amount of the Guaranteed Income Supplement and

Spouse's Allowance paid to each household will be increased by \$20 each month.

For a couple where both are receiving benefits, each spouse will receive an extra \$10 each month, while a single pensioner will receive the full \$20-monthly increase. Financial difficulties are particularly acute for unattached elderly people, whose expenses absorb a higher percentage of their incomes than of couples' incomes.

Some 100,000 additional OAS pensioners whose other income was previously too high to qualify, will now be eligible for additional benefits of up to \$20 a month, because of the rise in the ceiling.

The second amendment will relieve the situation faced by the younger spouse when his or her Spouse's Allowance benefit is terminated following the death of the older spouse. The Spouse's Allowance program, introduced in 1975, provides assistance to couples where the older spouse is in receipt of Old Age Security benefits and the younger spouse has not yet reached age 65. Because the allowance is limited to couples where one is an OAS pensioner, the benefit must eventually be discontinued if the OAS pensioner spouse dies. However, it will now be paid for up to six months after the month of the pensioner's death.

Women form greater portion of poor

Women who are the sole support of their families are becoming a growing proportion of Canada's poor, the Economic Council of Canada says in its annual review.

In a discussion of unemployment and financial hardship the Council reports that such women not only lack other sources of income but in most cases earn substantially less than men.

Among other findings in a section on social programs:

- unemployment alone is an "unreliable" indicator of financial hardship and inequity;
- the benefits of social programs such as unemployment insurance, pensions, family allowances and medical care have gone almost as much to middle- and upper-income persons as to the poor.

The report says lower incomes earned by women usually mean their unemployment insurance benefits are lower than those paid to men despite the fact that jobless women face longer periods of un-

employment than do men.

"In 1975, unattached males in the labour force received about one-third more total income than did their female counterparts," it adds. "Among the male-headed families who experienced unemployment, the average family income in 1975 was nearly \$5,000 higher than the income of female-headed families with no unemployment."

The Council says unemployment has — since the Depression days of the 1930s — been regarded as an indicator of social distress.

But, the report says, the unemployment rate, now running about 8.5 per cent, highest since the 1930s, is not a good indicator of hardship. A similar line has been taken recently by Federal Cabinet ministers.

"Many fully employed people exist on incomes that border on the poverty threshold, and many among the unemployed have no really severe financial problems at all," the report says.

The Council studied data for the years 1971 and 1975 and concluded that only 3.4 per cent of families in 1975 experien-

ced both unemployment and hardship, compared with 5.7 per cent in 1971.

The study used Statistics Canada low-income levels, which in 1975 were \$3,481 a year for individuals and \$7,655 for a family of four.

Most of the social security programs, designed to meet the needs of special groups, such as the elderly, the ill, young people, the unemployed and women with dependent children, are not specifically aimed at the poor.

The result is that the universal programs have been only "modestly progressive" with net benefits flowing to the middle class as much as to the poor.

An example is unemployment insurance, which is often not paid to the poor because they are not members of the labour force because of age, disability or the need to care for children.

"The majority of the unemployed are members of households in which others are working," it says. "Under these conditions it comes as no surprise that a substantial proportion of unemployment insurance benefits flow to families in the middle- and high-income brackets."

Planning for emergencies

The preparation for possible future disasters — both natural and man-made — is being studied by a group of professors and students at the Institute for Environmental Studies, University of Toronto.

Emergency Planning Canada has extended its post-graduate fellowship program from a U.S. institution to the University of Toronto, awarding a special fellowship to William Needham of Vancouver for his study of the transportation of dangerous, noxious and radioactive materials by rail or road. Previous fellowships were given for study at the Disaster Research Center, Ohio State University.

Professor Ian Burton says the Institute is concerned with finding solutions to disasters and relating emergency planning to other disciplines such as sociology, urban and regional planning, political science, economics and geography.

Potential disasters of interest to the Institute include:

- accidents in the transport of hazardous materials (toxic and flammable chemicals);
- unanticipated emergencies such as the fall of the Soviet satellite in the Northwest Territories this past winter (a disaster which could have occurred in a populated area);
- widespread systems failure, such as power, transport and communications systems;
- complications that might occur when two or more emergencies coincide.

Sixteen-year-old mountaineering veteran determined to reach the top



Toronto Star

Wayne Eastman, 16, of Toronto, gets help from the local fire department climbing team after getting stuck on the side of the Scarborough Bluffs. He spent more than two hours perched on the cliff, 30 metres above the waters of Lake Ontario, before he was rescued. Eastman has been climbing the bluffs since he was eight, and says he won't stop now because he wants to become a mountain climber.

Medical research financing explained

Health Minister Monique Bégin recently announced a five-year plan to provide regular annual increases in grants for medical research.

The grants, to be provided through the Government's Medical Research Council, will be increased based on the inflation rate plus the economic growth rate minus 1 per cent.

Miss Bégin said further grants could be provided in the five-year period "for research in areas of national concern or consideration of the most appropriate indices for cost increases".

The Council will receive a 9.6 per cent increase to \$68.8 million for the 1979-80 fiscal year. Some 100 new jobs are expected to be created each year.

News of the arts

New prize presented to accompaniment of award-winning composition



Composer R. Murray Schafer (right) recently received the first Jules Léger Prize for New Chamber Music from Governor-General and Mrs. Léger. The prize, which includes a trophy designed by Montreal sculptor Louis Archambault and an award of \$5,000 offered by the Canada Council, was presented during a concert at Rideau Hall where the Orford Quartet played the award-winning work, Quartet No. 2, Waves. The concert was presented in collaboration with the CBC and will be broadcast later.

Phillips names directors for Stratford's next season

Michael Langham will direct Shakespeare's *Love's Labour's Lost* in 1979, his first Stratford production in nine years, says Festival artistic director Robin Phillips. A former artistic director of the Festival and of the Guthrie Theatre in Minneapolis, Mr. Langham is at present staging productions of *Coriolanus* and *Julius Caesar* with a black acting company for Joseph Papp's New York Shakespeare Festival.

Peter Moss, the Festival's director at the Third Stage, will direct *The First Part of Henry IV* and *The Second Part of Henry IV*, to be presented at the Festival Theatre. Mr. Moss directed *The Merry Wives of Windsor* and co-directed *The Winter's Tale* this year, in addition to his work at the Third Stage which included direction of Sheldon Rosen's *Ned and Jack* and Beckett's *From An Abandoned Work*.

Tony Award winner Burt Shevelove, in his first association with the Festival, will

direct the *première* of his adaptation of the Philip Barry play, *Holiday*, on the Avon stage.

Waris Hussein, who has worked extensively in film, television and stage in England, will direct *Othello*, slated for the Festival stage. He recently directed Julian Mitchell's *Half Life*, with John Gielgud, for the National Theatre and the West End.

Directing the Third Stage production of *The Taming of the Shrew* will be Pamela Hawthorn, an associate director of the Festival and director of this year's production of *Stargazing* by Tom Cone. Miss Hawthorn is managing director of Vancouver's New Play Centre, where she has staged notable productions of new Canadian plays, among them *Ned and Jack*, Sharon Pollock's *A Compulsory Option* and Cone's *Beautiful Tigers and Shotgun*.

Zoe Caldwell, last at Stratford in 1967 when she played Cleopatra to Christopher

Arts briefs

Two regional offices of the Canada Council, originally scheduled to open this year to serve Alberta, Saskatchewan, Manitoba and British Columbia, will remain closed indefinitely because of budget cuts. The Atlantic regional office in Charlottetown, which has been in operation for five years, will be maintained. The Council's director, Charles Lussier, explained, "The proven usefulness and success of our Atlantic regional office has encouraged us to consider opening others. However, at a time when a number of our programs of direct aid to artists and arts organizations are being cut back for lack of funds, we think it would be inappropriate for the Council to expand its administration."

The second annual Children's Book Festival, a week-long celebration of children's literature organized in part by librarians, teachers and booksellers across the country, took place recently. The festival is sponsored by The Children's Book Centre of Toronto, a resource agency for information about publishing for children.

The Canadian Broadcasting Corporation's *fifth estate* has won an international Emmy Award for its special, *Four Women*, a television program dealing with breast cancer. It was named the best non-fiction film in a field of six nominees, among which was Global TV's interview by Robert MacNeil with heavyweight champion Muhammad Ali.

Plummer's Antony in *Antony and Cleopatra*, will direct Shakespeare's *Richard II*.

A charter member of the Elizabethan Theatre Trust and the Union Repertory of Melbourne in her native Australia, Miss Caldwell has also appeared with the Royal Shakespeare Company at Stratford-on-Avon and at the Royal Court Theatre in London.

Her association with theatre in Canada also includes the Manitoba Theatre Centre where she appeared in the title role of *Mother Courage* and as Pegeen Mike in *Playboy of the Western World*.

Mr. Phillips announced in September that he would take a sabbatical in the early months of 1979. He will return to Stratford in March to direct *King Lear* and Oscar Wilde's *The Importance of Being Earnest* at the Avon Theatre and to oversee planning for the following year.

New fighter aircraft (Cont'd from P. 2)

the request for proposal. Nor was it the Government's intention to acquire an aircraft whose capabilities far exceeded those required to carry out assessed roles adequately.

We are convinced that we have now made a very judicious decision in selecting these two aircraft for further consideration, taking into account the factors of military requirements, budgetary considerations, the minimum number of aircraft required, the risk element, and the potential industrial benefits.

We expect that a reduction to two contenders will have a very favourable impact on Canadian industry's ability to participate with prime manufacturers in the development of detailed industrial proposals.

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News briefs

Prime Minister Raymond Barre of France has accepted Prime Minister Trudeau's invitation to make an official visit to Canada from February 8 to 13. Mr. Barre will visit Ottawa and Quebec City.

Northern Telecom Canada Limited of Toronto has lowered prices on all products to reflect the recent reduction in the federal sales tax.

Peugeot Canada Limited of Montreal has reduced the prices of its 1979 models by an amount of from \$295 to \$500, depending on the model.

Pre-tax corporation profits rose at a 22.8 percent annual rate in the third quarter of 1978, up from 3.6 per cent in the second quarter, according to Statistics Canada. The profit level in the third quarter was 17.7 percent higher than it was a year earlier.

Canada's automotive trade deficit with the U.S. totalled \$634.7 million for the

first nine months of 1978, down from \$901.7 million in the comparable 1977 period, Statistics Canada reports.

Real GNP grew by 3.6 per cent on an annual basis during the third quarter, compared with a 4.4 percent rate in the second quarter and 2.8 per cent in the first quarter.

Unilingual French-speaking pilots will no longer be required to have a knowledge of English to obtain the Department of Communications certificate needed to operate aircraft radios. "Since adoption of bilingualism at Quebec airports, safety requirements dealing with voice communications are being adequately met by provisions of MOT Air Navigation Order 1, Series 1," says Communications Minister Jeanne Sauvé.

Canada is to invest \$10 million in a project to rebuild Trinidad's airports — as part of a six-year bilateral agreement signed by Industry, Trade and Commerce Minister Jack Horner and Trinidad's Prime Minister, Eric Williams, recently. The agreement includes several proposals which will be worked out in detail and signed separately. Trinidad would also like Canada to build a new penitentiary and create buffer stocks of food to be used to stabilize prices on the island.

Agronomists predict that Canada's 1978 rapeseed crop, now third in the nation's production, will be worth about \$600 million to Canadian farmers.

Food companies may be called before the Federal Government to explain why their profits have been soaring, says Consumer and Corporate Affairs Minister Warren Allmand. A recent report cites profit increases of 63 per cent in the food and beverage industry.

Penalties of almost \$3 million in the past 12 months have been imposed by Revenue Canada on 830 taxpayers who were late in filing their income tax returns. The penalty for attempted tax evasion is 50 per cent of the tax owing. In addition, the taxes must be paid along with accrued interest and a 5 percent late filing penalty to a maximum of \$500.

The Government of Kenya announced recently that it planned to establish a high commission in Canada for the first time.

Communications Minister Jeanne Sauvé has been appointed *francophone* adviser to External Affairs Minister Donald Jamieson. She replaces former Supply and Services Minister Jean-Pierre Goyer, who will not seek re-election. Mrs. Sauvé

will be responsible for relations with the Paris-based Agency for Cultural and Technical Co-operation and will take part in Canadian representation to *francophone* countries.

A new charter airline, Ontario World-air, began business December 1 with two return trips from Toronto to Jamaica. The airline, the first international charter carrier to be based in Ontario, is using a refurbished 185-seat *Boeing 707* aircraft under lease from U.S.-based ITEL Corporation. The aircraft will be used on inclusive tours with major Canadian tour operators and in the summer will offer advanced booking charter flights to Britain and Europe.

A Canadian prize, *Man and His World*, has been awarded to Amadou Mahtar M'Bow, director-general of the United Nations Educational, Scientific and Cultural Organization (UNESCO), for work towards international peace. The award, created this year to recognize persons making a major contribution in the field of peace and international understanding, is named after the Montreal exhibition.

The federal and Newfoundland governments have agreed to establish and jointly fund the Lower Churchill Development Corporation, in preparation for the development of a second, large-scale hydroelectric project on the Churchill River in Labrador. The Federal Government initially will provide \$5 million and will receive a 49 percent share in the corporation.

Corporate profits rose 27.9 per cent in the third quarter to \$1.26 billion from \$988.7 million recorded in that period in 1977, according to a survey of 150 companies. The third-quarter advance was the tenth quarterly rise after six consecutive quarters of reduced earnings.

Alex Campbell, former premier of Prince Edward Island, has been appointed by the Federal Government to the province's Supreme Court. The announcement coincides with the forty-fifth birthday of the lawyer who resigned as premier in September and as a Liberal member for his riding on November 29.

Mineral production in British Columbia reached an estimated \$1.9 billion during 1978, an increase of \$157.7 million over the 1977 figure. Coal accounted for \$85.1 million of the increase, followed by metals, \$73.3 million; structural materials, \$13 million; and petroleum and natural gas at \$6.4 million. The value for industrial minerals dropped \$20.1 million.

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