



# Bulletin

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## GUIDING PRINCIPLES OF CANADA'S DEFENCE POLICY

*The following is a recent statement by the Minister of National Defence, Mr. Léo Cadieux, to the Standing Committee on External Affairs and National Defence:*

...Before going into the defence aspects of the NATO ministerial meeting, you may find it helpful if I were to recall to your attention a little of the background and past history of Canada's defence involvement in NATO. In spite of our somewhat isolated geography, Canada has been involved during this century in two world wars and in several smaller ones. This experience has led to the acceptance by Canadians of two basic defence principles. First, that peace and prosperity for Canada depend on peace in the world and that Canadians have a responsibility to promote and preserve peace in the world; and second, that the only sensible approach for Canada in the pursuit of peace is to work collectively with like-minded nations.

We applied these principles to Europe during the precarious decade following the Second World War. The prospects for continued peace were uncertain, and our European friends were in military and economic disarray. In the early years of NATO, Canada responded, on the military side, to the pressing needs of co-operative defence by providing, under Mutual Aid, *matériel* sufficient to equip two and a half army divisions; we trained over 5,000 pilots; we provided over 1,000 aircraft and 25 naval ships. Forces were assigned or earmarked in all three environments: naval forces for service in the North Atlantic, a Brigade Group in Germany backed up by the balance of a division in Canada, and an Air Division in Central Europe.

As our allies grew in strength and self-assurance under the climate of confidence made possible by the

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alliance, we have been able, in consultation with them, to reduce our share of the European defence burden, both as a proportion of the total effort and in absolute terms. Although our force commitments are now less than they were initially, this has been compensated to a significant degree by extensive improvements in weapons and equipment. The Canadian forces now based in Europe constitute a relatively small but militarily significant and identifiably Canadian contribution to alliance defence.

The stability engendered by the NATO alliance gave rise during the mid-60s to hopes for more normal relations with Eastern Europe, and even for some optimism regarding an eventual settlement in Europe. You will remember that the keynote of the NATO ministerial meeting a year ago in Brussels was the promotion of *détente* between East and West and, in Reykjavik in June, we began to think in terms of an early start on negotiations with the Warsaw Pact countries for balanced reductions of Forces. Unfortunately, efforts in this direction were thwarted by the tragic events of last August. The unwarranted invasion of Czechoslovakia gave all member nations cause to reflect on the adequacy of the alliance defences, and it was apparent during our meeting two weeks ago that a consensus had developed. There was general agreement that the new situation called for increased vigilance and a qualitative improvement wherever possible in currently committed forces. The Czech crisis created a mood of caution and concern, and re-emphasized the need for defence preparedness in the face of an uncertain future.

#### NAVAL FORCE

In my statement to the Defence Planning Committee, which you will recall is the Council-level committee of the 14 member nations participating in the integrated military command organization, I supported the consensus that qualitative improvements in our committed forces would constitute reasonable and prudent action at this time, and I discussed several measures that we are taking along this line.

For example, I mentioned the four helicopter-equipped destroyers and the two operational support ships now under construction. Since there has been some discussion about these vessels and their relation to NATO, I should like to explain to you our present plans for employing them after their construction is completed and they are commissioned into the Canadian Armed Forces. First of all, although support ships contribute a great deal to NATO's anti-submarine capability by enabling our ships to spend a higher proportion of time on active operations, they are not normally earmarked to NATO but remain under national command even in wartime. On the other hand, the four new destroyers would in the normal course of events be earmarked to the Supreme Allied Commander Atlantic (SACLANT) when they become operational. When this takes place, we plan to remove four of the older destroyer escorts from the list of forces now earmarked to SACLANT and retain them in the Canadian Forces for North American defence purposes only. Thus we are not at this time planning any increase in the number of ships committed to SACLANT, nor are we planning any extension in the normal area of operation of our NATO committed maritime forces (for example, in the Mediterranean), and our allies have been fully informed of our present intentions. The new destroyers will, of course, provide significant qualitative improvement in SACLANT forces. In discussing our contribution to SACLANT, I also referred to our destroyer-modification programme, and pointed out that this too would lead to qualitative improvements in NATO's anti-submarine warfare capabilities.

#### LAND FORCE

I drew attention to our programme of re-equipping the Brigade Group in Germany, and indicated that we were giving high priority to its completion. This programme includes, for example, a substantial number of new reconnaissance vehicles, some new counter-mortar radars, a large number of new wheeled vehicles, and completion of the stockpiling of certain kinds of ammunition.

I pointed out that our reserve forces would be enhanced through improvements in training facilities and increased training intensity, and that we intended to continue the training of reserve personnel with the Brigade in Europe.

I announced that we had decided to participate in the 1969 exercise of the NATO ACE Mobile Force (Land) in the northern regions of Norway, as we had done on two previous occasions. We shall be providing a battalion group for this exercise, and we shall at this time also practise the strategic air and sea operational deployment of the unit to Norway.

#### AIR FORCE

Finally, I stated that we had deferred the final decision regarding our planned 20 percent reduction in the number of aircraft in the Air Division in Germany. I might add that, in private discussions with several of my NATO colleagues, I learned that Canada's reassurance regarding the Air Division was particularly appreciated.

To clear up one or two misconceptions about the Air Division, I should like to remind you that the CF-104-equipped squadrons are dual-capable, and we have available now in Europe stocks of conventional ordnance for these aircraft. They are capable of making an effective contribution to the strategy of flexible response adopted by NATO a year ago. This is a conception that we support in principle and one that we have catered for in our committed forces. The Canadian Air Division is among the finest in NATO, and I should not hesitate to stand it beside any such formation in the world. Our CF-104 pilots, supported by the whole of the complex organization of the Air Division, have repeatedly taken the honours at NATO training competitions. The same applies to our ground forces in Europe — there are none better. When I spoke in Brussels, I mentioned that our military forces were all professionals, and I assured our allies that we were maintaining them at their high standard of equipment, training, and operational readiness.

On the defence side, the main purpose of the meeting two weeks ago was to reaffirm alliance resolve, in the aftermath of the Czech crisis, to stand together against aggression directed at any of its members, and to consult on specific measures being taken to ensure that the necessary defences are maintained, Canada joined with the other members of the alliance both in reaffirming this intention and in maintaining and improving Canada's defence contribution, as I have outlined to you.

#### CANADA'S SECURITY AND NATO

While I am before you, I should like to say a word or two about Canadian security in relation to NATO. The major threat to the security of Canada and the Canadian people comes from the prospect of an intercontinental nuclear exchange arising out of a conflict of interest or of ideology between the super-powers. The forum where super-power interests most closely impinge on each other is Europe, and hence Europe is the geographical region where Canada's security is most in jeopardy. Thus, Canada's security is very closely interlocked with the security of Europe. These are inescapable facts of the world we live in. In the past, we considered it to be in the interests of Canadian national security to meet the challenge through our participation in NATO. How we meet the challenge in the future is one of the very important considerations of the defence review. But I ask you to remember this — the defence review cannot remove the challenge.

Perhaps I might finish by repeating to you my closing remarks to the Defence Planning Committee two weeks ago. At that meeting I said: "The Czechoslovak affair has demonstrated to all of us the

## FOREST-PRODUCTS SHOW IN TEXAS

Canada's forest and wood-building industries will be shown in a colourful exhibit at the National Association of Home Builders Convention in Houston, Texas, from January 13 to 17.

Sponsored by the federal Departments of Industry and Trade and Commerce, the 1,600-square-foot area will display the various wood-building products available in Canada. Included in the exhibit are western hemlock, eastern white spruce, Douglas fir, lodge-pole pine and white pine. Knotty white pine and a wide variety of western red cedar shingles and sidings will also be exhibited.

Birch and maple for strip and parquet floors, and various grades of construction plywoods produced from Douglas fir and poplar will also be shown. Parts of the Canadian exhibit will be lined with pre-finished decorative plywood panels and roofed-in sections featuring shingle samples.

Canada's vast forest resources and the forest industry generally will be illustrated by stylized trees, and two modernistic wood-sculptures, one of finished lumber, the other of natural logs, will convey the versatility of Canadian wood products.

One wall of the exhibit will be devoted to enlarged photographs of houses under construction, and a multi-tiered wooden rack will contain a large selection of literature on the building industry and the use of Canadian wood products. The pamphlets and brochures are supplied by the Canadian forestry, lumbering and manufacturing associations.

## RESEARCH AND DEVELOPMENT REPORT

The Department of Industry's first annual report on the Industrial Research and Development Incentives Act programme (IRDIA) shows that, as of June 30 this year, the Department had received 574 applications for grants totalling more than \$40 million. Of this number, 106 applications for grants amounting to nearly \$2.5 million had already been reviewed and approved.

The IRDIA programme, introduced in March 1967, provides Canadian industry with direct financial incentives for research and development, replacing Section 72A of the Income Tax Act, under which a corporation was given an additional tax deduction for increased expenditures on research and development.

The primary object of IRDIA is to induce Canadian corporations to expand scientific research and development that is likely to benefit the nation.

The report of the Department of Industry states that the 462 firms that applied for grants for their 1967 fiscal year expanded their Canadian research and development expenditures by \$97 million over their average for the preceding five years and, in addition, invested \$35 million in new research and development facilities in Canada.

### CORNERSTONE OF PROGRAMME

"The Industrial Research and Development Incentives Act is the cornerstone of the Department of

Industry's programmes to encourage and assist Canadian industry to expand its research and development activities," the report declares. "The legislation is exerting a substantial influence on industry's plans for increasing research and development in Canada, and for exploiting the resulting new and improved products in both Canadian and export markets."

IRDIA grants equal 25 per cent of capital expenditures made by an applicant for scientific research and development carried out in Canada in the year, and 25 per cent of the eligible current expenditures made by the applicant in Canada in excess of the average of such expenditures in a base period consisting of the five immediately preceding years.

## CANADA COUNCIL MEDAL AWARDS

Five Canadians were awarded the Canada Council Medal recently for "outstanding cultural achievement". Recipients are Eric Arthur, architect; Earle Birney, poet; Gabrielle Roy, novelist; A.J.M. Smith, poet; and Jacques de Tonnancour, painter. A cash prize of \$2,500 was also awarded to each of the medallists.

The bronze Canada Council Medal, one of Canada's highest tokens of excellence, was designed by the Toronto artist Dora de Pedery Hunt. Its winners last year were Wallace K. Ferguson, historian; H. Northrop Frye, literary scholar; Jean-Paul Lemieux, painter; and Frank H. Underhill, social critic and historian.

## LANGUAGE LABORATORY

A remarkable language-teaching system, designed and produced in Canada, is now in use in the United States, and is attracting attention throughout the world.

The outstanding feature of the White Laboratory (made by White Electronic Development Corporation (1966) Ltd., Rexdale, Ontario) is an exclusive "memory unit". Part of a seven-step learning process, it provides instantaneous automatic playback of a student's voice after he has repeated a phrase or sentence heard through a head-set. Thus the student can compare his pronunciation with his teacher's while it is still fresh in his mind.

The teacher, too, can flip a small coloured switch on his desk panel and address a single pupil or the entire class. No booths are needed - merely head-sets with microphones attached - and there are no switches to distract the student, who can therefore concentrate on the lesson material. No special furniture is needed except a teacher's desk with a simple colour-coded control-panel.

## UN INTERNATIONAL SCHOOL

The first installation outside Canada is in the United Nations International School in New York, most of whose 650 students are children of UN personnel from 77 countries. English, French,

Spanish and Russian are taught and it is expected that there will soon be extra curricular courses in Hebrew, Arabic, Danish, Sinhalese and Urdu.

#### BUS CLASSROOM

New York also has a similar laboratory installed in a bus, built for Puerto Rico Forum, Inc., to help increase employment opportunities for the city's numerous Puerto Ricans. The "electronic classroom" travels in a bus to factories and hospitals, to aid workers in overcoming the language barrier. Two other stationary laboratories are being built in California - one in an adult school and one in a high school.

#### NRC HOUSING STUDY

A study by the National Research Council of Canada shows that home construction costs, especially in large housing-projects, could be reduced significantly if houses were built in accordance with acceptable standards rather than traditional practice. It also shows that site labour costs accounted for only 14 per cent of the selling price of one project home built during the study.

An investigation of the labour and materials required in the construction of two wood-frame houses was conducted over a two-year period by the Housing Section of NRC's Division of Building Research.

A.T. Hansen, NRC Research Officer in charge of the study, says the on-site construction cost of the first three-bedroom wood-frame bungalow was \$10,586, made up of 24 per cent labour, 74 per cent materials and 2 per cent equipment rental. The selling price of this home was \$18,000, which meant that the on-site cost represented about 59 per cent of the selling price.

#### COSTS AND SELLING PRICE

The remaining 41 per cent was made up of serviced-land costs, profit, overhead and various financial charges. In relation to the selling price, the component costs were 14 per cent for labour, 44 per cent for materials and 1 per cent for equipment rental.

"At one time it was common to assume that site labour accounted for 40 to 50 per cent of the total cost of construction," Mr. Hansen says. "The fact that the total on-site building cost of this house represented less than 60 per cent of the final selling price also leads one to speculate whether the items responsible for the remainder of the cost might not be a useful area for some future study."

The second house was almost identical to the first, but incorporated changes in construction advanced by the Division of Building Research that offered a potential saving of nearly \$400. The

changes did not significantly affect the quality as a whole, nor the appearance of the house; all of them conformed to the requirements of the Residential Standards of the National Building Code.

"This study showed that the potential savings from any individual change were relatively small, but when these were totalled they amounted to about 4 per cent of the on-site cost," Mr. Hansen says. "To a builder constructing 125 houses a year, this would mean a potential saving of about \$50,000."

#### POPULATION ESTIMATES

As of October 1, Canada's population was estimated at 20,857,000, an increase of 309,000 (1.5 per cent) since October 1, 1967. An increase of 390,000 (1.9 per cent) occurred in the 12 months from October 1, 1966 to October 1, 1967. About half the decrease in population growth over the period from October 1, 1967 to October 1, 1968, compared to the previous 12 months, was attributed to lower immigration, about one-fifth to fewer births and the remainder to greater numbers of deaths and emigrants.

Provincial increases in the 12-month period ending October 1, 1968, were led by Ontario with 138,000, or 1.9 per cent. British Columbia gained 55,000, or 2.8 per cent, Quebec 51,000, or 0.9 per cent, Alberta 36,000, or 2.4 per cent, Newfoundland 9,000, or 1.8 per cent, Manitoba 8,000, or 0.8 per cent, Nova Scotia 4,000 or 0.5 per cent. New Brunswick and Saskatchewan had increases of 3,000 each and Prince Edward Island gained 1,000.

The starting-point of these estimates is the population count of the census of June 1, 1966. To the provincial counts are added births and immigrants; deaths and estimated emigrants are subtracted and an allowance made for interprovincial migration. These estimates are subject to revision after the 1971 Census of Canada.

On the basis of the elements of population growth prevailing in this quarterly period, the projected population at 2.30 p.m., November 15, as registered on the Canada Population Clock was 20,897,851.

#### GUIDING PRINCIPLES OF CANADA'S DEFENCE POLICY

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importance of a collective approach to defence problems. Canada's history of the last half-century amply attests to our enthusiastic support of such an approach and has shown our willingness to make an effective contribution every time it was required. Collective security continues to be the guiding principle of Canadian defence policy."

The Canadian Weekly Bulletin extends to all its readers  
best wishes for the holiday season  
and the new year

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