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FEDERALISM AND INTERNATIONAL EDUCATION CONFERENCES

The Prime Minister has announced that he has sent the provincial prime ministers and premiers a document entitled *Federalism and International Conferences on Education*, which has been prepared under the direction of the Secretary of State for External Affairs. This is a supplement to an earlier study entitled *Federalism and International Relations*, issued by the Government of Canada at the constitutional conference of last February.

The question of provincial participation in international conferences, according to this paper, raises important questions of principle which are of concern to all Canadians. The conduct of Canada's foreign policy cannot be divided into watertight areas some of which are within the competence of the Government of Canada and others of provincial or local concern. To challenge the integrity of Canada's external personality inevitably entails a challenge to national unity.

Within this basic framework there is wide latitude for collaboration between the federal and provincial governments with respect to intergovernmental conferences and other areas of international co-operation which can give full scope to the interests of the provinces and of individual Canadians of both major language groups. This has been shown in the past in connection with Canadian participation in a variety of international organizations and conferences of interest to the provinces, particularly in relation to education.

The policy of the Federal Government in arranging for Canadian representation in international organizations and at international conferences on education is to work closely with the provincial authorities to establish balanced delegations which take account of both federal jurisdiction in external affairs and provincial jurisdiction in relation to education. The practice followed with respect to Canadian representa-

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tion at international conferences held under the auspices of the Commonwealth, UNESCO and the International Bureau of Education, provides a clear illustration of the feasibility of this approach. The Government hopes that existing procedures of federal-provincial co-operation in this area can be expanded and improved.

The Government has also put forward a number of suggestions with respect to intergovernmental meetings on education within the framework of *la Francophonie*. These proposals give full recognition to provincial jurisdiction over education as well as to the special interest in *la Francophonie* in the Province of Quebec and other provinces with large French-speaking minorities. At the same time, they respect the requirements of national unity. Canadian views on these matters have been communicated to other governments concerned.

The Prime Minister has suggested to the provincial prime ministers and premiers that the present study be regarded as a working paper for the constitutional conference. The Government's proposals and suggestions regarding provincial participation in international conferences, and related matters concerning education and international co-operation, are submitted for discussion in this context.

TAX AID FOR LABRADOR POWER

A tax-remission order that will facilitate the financing of power development at Churchill Falls in Labrador was announced recently by Mr. E.J. Benson, Minister of Finance and President of the Treasury Board. He said that the action by the Government would also help prevent increases that would otherwise occur in the cost of Churchill Falls power sold to the Quebec Hydro-Electric Commission and the Newfoundland and Labrador Power Commission.

The huge power-generation and transmission development by the Churchill Falls (Labrador) Corporation is to be financed largely by the sale of first-mortgage bonds, of which the Corporation will be endeavouring to sell more than \$400 million in the United States. The remission applies to the withholding tax of 15 per cent that would otherwise be collected on payments of interest on these bonds to non-residents.

Mr. Benson said that one of the main considerations in the Government's decision was the fact that virtually all Churchill Falls power will be sold to the Quebec and Newfoundland power commissions, which, as provincially-owned agencies, are exempt from withholding tax on any bond-interest payments to non-resident investors. A further factor is that, under the long-standing policy of adjusting federal taxes on privately-owned power corporations where such taxes materially affect their position relative to provincially-owned power commissions, 95 per cent of the federal corporation income tax paid by the Churchill Falls (Labrador) Corporation will be transferred to the Province of Newfoundland.

The Minister said that, without the exemption from withholding tax, the sale of such a very large issue of bonds in the United States might be impossible, and in any event would be unduly costly. If the project were to go ahead without the exemption, the cost of power sold to Quebec and Newfoundland would be increased.

LITERARY AWARDS

Six Canadian writers received Governor-General's Awards for Literature for 1967 in Ottawa this month. The award-winners are: poetry in English, Eli Mandel for *An Idiot Joy*, and Alden Nowlan for *Bread, Wine and Salt*; fiction in French, Jacques Godbout for *Salut Galarneau*; theatre in French, Françoise Loranger for *Encore cinq minutes*; non-fiction in English, Norah Story for *The Oxford Companion to Canadian History and Literature*; non-fiction in French, Robert-Lionel Séguin for *La Civilisation traditionnelle de l'"Habitant" aux XVIIe et XVIIIe siècles*.

Each of the six winners received a specially-bound copy of his book from the Governor General in an afternoon ceremony at Government House. In the evening, they received cash prizes of \$2,500, during an informal dinner given by the Canada Council in their honour.

The winners were chosen by the Governor-General's Awards Committee from among all literary works by Canadian authors published in 1967. Chairman of the committee for 1967 was Mr. Léopold Lamontagne, Director of the Service for Admission to College and University, Ottawa.

The previous year's winners were Margaret Laurence for the novel, *A Jest of God*; Claire Martin for her fictional memoirs, *La Jolie droite*; Margaret Atwood for her poems, *The Circle Game*; Réjean Ducharme for the poetic content of his novel, *L'Avalée des avalés*; George Woodcock for *The Crystal Spirit: A Study of George Orwell*; and Marcel Trudel for *Le Comptoir, 1604-1627*, the second volume of his *Histoire de la Nouvelle France*.

No award was given for 1967 for fiction in English. This was the first time in the 31-year history of the Awards that two prizes had been given for poetry in English.

WORLD HEALTH DELEGATES

The Canadian delegation to the twenty-first World Health Assembly in Geneva is headed by Dr. John N. Crawford, federal Deputy Minister of National Health. Other delegates to the May 6-24 meeting are: Mr. Jean-Louis Delisle, Ambassador and Canadian Permanent Representative to the United Nations Office, Geneva; Mr. Norbert Thériault, New Brunswick Minister of Health; Dr. O.H. Curtis, Prince Edward Island Deputy Minister of Health; Dr. J.B. Morison, Manitoba Deputy Minister of Health, Dr. B.D.B. Layton, Dr. R.B. Goyette and Miss Florence Comtois, Department of National Health and Welfare; Mr. R.J. McKinnon and Mr. J.J. Corbeil, Office of the Canadian Permanent Representative, Geneva.

WHO TWENTIETH ANNIVERSARY

The World Health Organization, a Specialized Agency of the United Nations concerned with the control and prevention of disease, is this year celebrating its twentieth anniversary. The theme of the celebrations — "Health of Tomorrow" — is illustrated by the choice of five objectives to emphasize the principles of preventive medicine: to strengthen public health administration; to control communicable disease; to promote technical education; to provide permanent world-wide health services, and to encourage research.

The WHO began its work 20 years ago with limited funds and unlimited problems. Among the emergency priorities agreed on by its members were the elimination of tuberculosis, malaria and venereal disease, better health care for mothers and children, and the improvement of nutrition and sanitation. Today, the 126 member states and three associated states are co-operating in the establishment of the principles and practice of preventive medicine both at home and abroad by the pooling of their knowledge and skills.

At the request of its membership, the Organization provides assistance in six designated regions of Africa, the Americas, Southeast Asia, Europe, the Eastern Mediterranean and the Western Pacific.

CABINET COMMITTEES CHANGED

Prime Minister Trudeau has announced a re-organization in the Cabinet committee system, effective immediately, which should, he claims, "result in increased efficiency in dealing with particular items of business but at the same time should permit more time and attention to be concentrated on the task of planning and policy development".

Part of Mr. Trudeau's statement follows:

...Until a few years ago, the full Cabinet undertook all essential policy planning and also was used to give particular items of business the full and careful attention they warranted. However, as business before Cabinet gradually increased, and as Ministers became more and more occupied with large and complex departments of government, it became obvious that the full Cabinet could not continue to operate in this manner. Consequently, a comprehensive Cabinet committee system was set up when Mr. Pearson came to office in 1963. Under this system, a number of standing committees were formed and, in addition, certain *ad hoc* or special committees were set up to deal with specific problems. As a general rule, business was referred to the appropriate Cabinet committee for examination in detail and for recommendations to the Cabinet. The result was that each item was normally dealt with eventually by the full Cabinet, no matter what its relative importance happened to be.

The increased scope of government activity also resulted in a fairly large number of standing committees. At one time there were about a dozen, and about as many special or *ad hoc* committees.

This system has worked well for the past five years and greatly improved the efficiency of government. It has, however, become apparent that further changes are now required to permit a greater centralization of functions and the delegation of certain powers of decision to the committees.

To meet these difficulties, I have revised the system of Cabinet committees to reduce the number of committees and to provide for a regularity in their meetings.

STANDING COMMITTEES

The subject areas of government activity will be divided amongst four major standing committees: a Committee on External Policy and Defence; a Committee on Economic Policy and Programmes; a Committee on Communications, Works and Urban Affairs; and a Committee on Social Policy (including labour and manpower questions). There will, of course, be areas of activity that will continue to require the attention of other special committees - for example science matters or cultural questions.

The new system will consolidate a large number of existing committees; for example, the Committee on Economic Policy and Programmes will cover areas now dealt with by three standing committees of the Cabinet and three special committees. Other committees would involve corresponding combinations of functions.

CO-ORDINATING COMMITTEES

In addition to these four major functional committees there will be four main co-ordinating committees. One is a Committee on Priorities and Planning, the essential purpose of which will be to review priorities and planning of government policy and to give special attention to questions which have important long-term implications. There will also be a Committee on Legislation and Planning for the House, which will be responsible for the planning of the Parliamentary programme, dealing with legislation and for determining governmental priorities in Parliament. It will be chaired by the Government Leader in the House. The third co-ordinating committee is the Treasury Board which will carry out the work it now does under the statute. It will continue to exercise important functions with respect to the co-ordination of expenditure programmes, control of departmental estimates in relation to fiscal resources and matters of government management generally, including collective bargaining. The Treasury Board will work closely with the Committee on Priorities and Planning, and Treasury Board staff will be called upon together with staff from the Department of Finance and the Cabinet Secretariat to serve the Priorities and Planning Committee. The fourth co-ordinating committee will be that on Federal-Provincial Relations, to ensure better co-ordination of programmes and activities relating to federal-provincial policy generally. It will also provide important assistance in briefing Ministers on current developments in federal-provincial relations, including the vital work to be undertaken with the provinces in the constitutional review.

I plan to serve as Chairman of the Cabinet Committee on Federal-Provincial Relations and also of the Committee on Priorities and Planning. The other Committees will be chaired by other Ministers....

FOOD AID TO GHANA

Canada has agreed to provide \$2-million worth of food aid to Ghana. About 16,000 tons of wheat flour will be shipped to Ghana to help meet its needs for this year. The food will help Ghana reduce its foreign-exchange deficit, a large part of which is caused by sizable food imports. The forecast deficit in 1968 is between \$70 million and \$80 million. Food imports are estimated at about \$40.5 million.

The International Monetary Fund has said that measures, such as the Canadian food aid, which will assist Ghana in preserving her scarce foreign-exchange reserves, will be of significant assistance in the recovery of the economy at this stage.

Canada has been a major source of supply for the flour needed by Ghana for 50 years, and there is now a preference there for Canadian flour. This is the third year in which flour has been supplied to Ghana, bringing the total of food aid provided to \$6 million.

In addition to food aid in 1967-68, Ghana was allocated \$2 million in grant aid, primarily for technical assistance.

VOYAGE OF DISCOVERY STAMP

A five-cent stamp to be released on June 5 by Canada's Post Office will commemorate the 300th anniversary of a perilous four-month voyage of discovery by the *Nonsuch* into Arctic waters. Historians credit the opening of Canada's West through the fur trade to the success of the voyage.

The new horizontal stamp, 40 by 24 mm., was designed by the British American Bank Note Company Limited, Ottawa, which will print 24 million of the issue. The virtually invisible mucilage used on two previous Canadian stamps will be used.

"Canada", in dark blue lettering, is printed vertically at the extreme left of the stamp; immediately adjacent is the *Nonsuch*, with billowing sails, in relatively calm blue seas against a backdrop of icebergs and the aurora borealis, in which shades of light green and rose are predominant. A white denominative "5" appears in the upper-right corner in a blue sky; at the lower right, in dark-blue water, white lettering consists of: "1968", "Voyage of the *Nonsuch*" and "Voyage du *Nonsuch*". The superstructure and masts of the ship are mainly in golden oak hue; pennants are in red and white.

HISTORY OF VOYAGE

The originators of a plan to tap a vast fur potential by explorations through northern waterways were Médard Chouart, Sieur des Groseilliers and Pierre Esprit Radisson.

Sailing from Gravesend, England, on June 3, 1668, the tiny 43-ton 36-foot ketch *Nonsuch* "heaved to" on September 29 in James Bay at the mouth of a waterway which the adventurers christened Rupert River. Their point of landing was to become the site of Charles Fort which, in turn, became Rupert's House. It was here that the newcomers from the old world met the primitive Cree Indians, who displayed a significant lack of hostility. Obligated to winter in the unfamiliar harsh northern environment immobilized by heavy ice, the *Nonsuch* and her crew, commanded by Captain Zachariah Gillam of Boston, returned to London in October 1669 with a rich cargo of prime furs; it was this success which led Prince Rupert and 17 associates to obtain from Charles II their incorporation as The Governor and Company of Adventurers of England trading into Hudson's Bay. The charter, a lengthy document of some 6,500 words, has been referred to by historians as the most far-reaching commercial document in British history.

OVERSEAS SPORTS GRANTS

Over \$50,000 has been granted to national sports-governing bodies and agencies to support international competition other than Olympics.

The grants, made under the provisions of the Fitness and Amateur Sport Programme, will aid Canadian athletes in 16 sports in participating in world and North American championships and other international competitions.

The largest grant, \$11,828, went to the Canadian Track and Field Association to help send a Canadian

team to compete in England, Norway and Sweden. The money will cover half the travel costs for the 60 members in the Canadian contingent.

The Canadian Sports Parachuting Association will enter a team of 11 (five men, five women and a pilot) in the 1968 world championships in Austria with the aid of a grant worth \$6,110.

The Canadian Badminton Association was awarded a grant of \$5,445 to assist in sending the Ladies National Team into the American Zone competition, and, if successful, into the final round of the Uber Cup world championships in Japan in 1969.

A grant of \$5,000 to the Canadian Wheelchair Sports Association will assist in sending a Canadian team of 12 and three officials to the Para-Lympics in Tel Aviv, Israel, in November.

The Royal Canadian Golf Association received a grant of \$4,095 to help send four men to the 1968 world amateur team championships at Melbourne, Australia, and the Canadian Ladies Golf Association was awarded \$2,595 to send a team of three to the 1969 world championships in Sydney, Australia.

Other grants awarded recently under the Fitness and Amateur Sport Programme to assist Canadian participation in international competition included: archery (Ambassador Cup, Canada vs. U.S.A., \$2,000); cricket (international series, Canada vs. U.S.A., \$832); field hockey (West Indies tour, \$3,275); swimming (British Invitational Meet, London, \$1,360); synchronized swimming (national AAU championships, California, \$2,894); table tennis (North American championships, Detroit, \$578); water polo (Invitational Tournament, Havana, \$1,781); water skiing (world water-ski championships, Bogota, \$2,434); yachting (international class, world championships, England, \$850, and OK Dinghy, world championships, Norway, \$525).

POTSHERDS AND DETERGENT

William J. Folan, John H. Rick and Walter Zacharchuk, archaeologists employed by the Canadian National Historic Sites Service, have devised a new use for old washing-machines. Artifacts covered with mud or clay can be cleaned in the machines, reducing 45 hours of work to one and saving enough money to finance an additional excavation each year.

The three archaeological researchers bought a second-hand washing machine for \$10, cut away the agitator fins from the central shaft, bolted a plastic garbage-can to the base of the shaft, and secured a circular, flat brush in the bottom of the can.

The artifacts were placed in the garbage-can, covered with warm water and detergent in preparation for the washing and rinsing process, which took only 15 minutes. The invention was so effective that in one test several bricks were washed with glass, ceramics, and clay-pipe bowls without breakage.

The inventors recommend a popular model so that the agitator unit can be moved to another machine when the machinery wears out. The average duration of the modified washing appliance is 200 hours.

INTERNATIONAL RULES FOR BANKS

It was announced recently by Mr. E.J. Benson, Minister of Finance and President of the Treasury Board, that, as the result of discussions between Canada's chartered banks and the Bank of Canada, following an exchange of letters dated March 7 between the United States Secretary of the Treasury and the Canadian Minister of Finance, the banks were conducting their operations in foreign currencies in accordance with the understandings reached in that exchange.

It will be recalled that, some time previously, Canada had been granted exemption from balance-of-payments measures adopted by the United States to control capital "outflows". In a letter to Mr. Henry Fowler, the U.S. Secretary of the Treasury, Mr. Mitchell Sharp, at that time Minister of Finance, had provided assurance that the exemption would not result in the use of Canada as a "pass-through" by which the purpose of the U.S. balance-of-payments programme could be thwarted.

The understanding with the chartered banks is embodied in the following three guide-lines:

(a) The total of a bank's foreign-currency claims on residents of countries other than Canada and the

United States should not rise above the level of the end of February 1968, unless the increase is accompanied by an equal increase in its total foreign-currency liabilities to residents of countries other than Canada and the United States.

(b) If there should be a decline in the total of a bank's foreign-currency liabilities to residents of countries other than Canada and the United States from the level at the end of February 1968, the bank should achieve an equal reduction in its total foreign-currency claims on residents of countries other than Canada and the United States as quickly as the liquidity of such assets will permit.

(c) Each bank should allow an increase in its U.S. dollar liabilities to residents of the United States from the level at the end of February 1968 only to the extent that the increase is fully matched by the sum of (i) the increase from that date in the bank's U.S. dollar claims on residents of Canada, (ii) the decrease from that date in the bank's U.S. dollar liabilities to residents of Canada, and (iii) the decrease from that date in the bank's own spot position in U.S. dollars.

SCIENTIST THRICE HONOURED

Dr. Gerhard Herzberg, Director of the Division of Pure Physics, National Research Council, has been elected an honorary member of the Optical Society of America in recognition of his "pre-eminent service in the advancement of optics". He is the first Canadian to receive this honour. There are only six honorary members of the Society.

Dr. Herzberg also has been awarded the degree of Doctor of Science by the University of Gottingen in Germany, and has been elected an honorary fellow of the Chemical Society of London in England. The only other Canadian who was honoured by the Chemical Society of London was the late Dr. E.W.R. Steacie, who was the President of the National Research Council from 1952 to 1962.

PRESS COUNSELLOR TO PARIS

Mr. Mitchell Sharp, the Secretary of State for External Affairs, has announced the appointment of Mr. Paul Boudreau as Press Counsellor at the Canadian Embassy in Paris. He will join the Department on June 1 and take up his posting on July 1 after briefing in Ottawa.

Mr. Boudreau who was born in Quebec City in 1920, joined the Canadian Press after the Second World War, becoming its Parliamentary correspondent in 1947. In 1961, he was appointed managing editor of Montreal's *Le Nouveau Journal*. He became Asso-

ciate Director of the International Centre of Graduate Journalism at the University of Strasbourg in France in 1964, and returned to Canada in 1966 as Vice-President and General Manager of the Canadian Advertising Agency in Montreal.

Mr. Boudreau is a past-president of the Canadian Union of French-Language Journalists and a founding member of the International Association of French-Language Journalists.

INCREASE IN CAPITAL SPENDING

Private and Public Investment in Canada, Outlook 1968, a report released recently by the Department of Trade and Commerce, states that capital spending in all sectors of the Canadian economy is expected to reach \$15,802 million in 1968, 4 percent above actual outlays of \$15,174 million in 1967. The 1968 programme indicates a moderate upturn in this important area of demand following a year in which capital spending had all but levelled off.

This year, outlays for new construction are expected to rise by 7 per cent, to \$10,179 million, while those for machinery and equipment will total \$5,623 million, a little less than the \$5,688 million of last year.

Within the business sectors, capital outlays of \$9,212 million are indicated for 1968, down slightly from the \$9,339 million spent in 1967. Substantial reductions are planned in certain resource-based in-

dustries which had exceptionally large capital programmes during the past several years. For example, spending for pulp and paper mills is likely to decline by some \$170 million and that for iron mines by \$56 million. In most other broad areas of business, capital spending will be at about the 1967 level. The major exception is the fuel and power industry, where expanded plans for electric power facilities, oil refineries and pipelines will result in significantly higher capital expenditures.

Outlays for social capital facilities, exclusive of housing, are expected to increase by more than \$500 million in 1968. This reflects a much higher level of capital spending for educational institutions and hospitals. Outlays for primary and secondary schools and universities are likely to increase by close to \$300 million and those for hospitals by nearly \$50 million. A further increase in house-building activity is also indicated in 1968, with expenditures for this purpose totalling \$2,577 million, compared to the \$2,353 million spent in 1967.

The report indicates that the 7 percent increase indicated in outlays for new construction will involve increased activity in construction and related trades. On the other hand, the near-level trend of spending indicated for new machinery and equipment should entail little change in the tempo of activity in machinery industries and in the level of imports which account for a major portion of Canada's machinery and equipment requirements.

FOREST-FIRE WARNING

The following message by the Minister of Forestry and Rural Development, Mr. Maurice Sauvé, was issued on connection with National Forest Week, May 5 to 11:

Last year, according to our preliminary estimates, fire destroyed more than two million acres of potentially valuable woodlands throughout Canada.

Over the previous ten years, such fires resulted in the loss of more than \$130-million worth of forest resources, while the cost of fighting these fires approached \$64 million.

This represents an enormous waste, even for a nation so well endowed with natural resources as Canada; for industries based upon our forest resources provide the livelihood for some 300,000 Canadians and account for one out of every four dollars which we earn through exports to the markets of the world.

Again this year during National Forest Week, as the summer outdoor season approaches, I remind

Canadians that we all have an important role in the protection and conservation of our forests. Remember that three out of every four forest fires can be traced back to some act of human carelessness or thoughtlessness....

LABOUR FORCE

Employment in Canada showed little change from February to March, increasing by 13,000 to 7,120,000. The increase in employment was below average for the time of the year. Unemployment, at 488,000, showed little change from that of the previous month. The labour force increased by 19,000 to 7,608,000, a smaller increase than usual.

The labour force was 119,000, or 1.6 percent above that of a year ago. Employment increased by 31,000 from March 1967; unemployment rose by 88,000.

EMPLOYMENT

Farm employment increased by 26,000 during the month. Non-farm employment decreased by 13,000 from February to March. Decreases occurred in forestry (19,000), and community, business and personal service (13,000). Employment in trade increased by 23,000 during the month.

The net year-to-year increase in employment was 31,000. Increases were reported for community, business and personal service, trade, finance, insurance and real estate, and public administration. Decreases occurred in manufacturing and construction.

Year-to-year increases in employment of 3.3 per cent and 1.2 per cent were recorded in British Columbia and Ontario, respectively. Employment in Quebec was 1.4 percent lower than that recorded a year earlier. Little change occurred in the Atlantic and Pacific Regions.

UNEMPLOYMENT

The number of unemployed remained almost unchanged from February to March. The March estimate of 488,000 was 88,000 higher than that of a year earlier.

Of the total unemployed during March, 326,000, or 67 per cent, were unemployed for less than four months. The remaining 162,000, or 33 per cent, were unemployed for four months or more.

Unemployment in March 1968 represented 6.4 per cent of the labour force, compared to 5.3 in March 1967 and 4.8 in March 1966. The seasonally-adjusted unemployment rate for March 1968 was 4.7 per cent.