



Bulletin

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MR. TRUDEAU CLARIFIES CANADA'S VIEW OF U.S. SURCHARGE

The day after his return from holiday, August 20, the Prime Minister called a Cabinet meeting to consider the impact on Canada of the 10 percent surcharge on imports imposed by the United States. The Minister of Finance, Mr. Edgar Benson, and the Minister of Industry, Trade and Commerce, Mr. Jean-Luc Pepin, had discussed the surcharge the previous day with Mr. John Connally, U.S. Secretary of the Treasury.

After the Cabinet meeting Mr. Trudeau issued the following statement:

The economic policies announced last weekend by President Nixon are very complex; their full impact both in the United States and in many other countries will not be known for some time. There is little mystery, however, about the effect on Canada of one of the policies – the 10 percent import surcharge. If nothing is done to remove or prevent the impact of that surcharge, if it is given full effect, it

will cause the loss of many thousands of Canadian jobs.

That is a rough blow to this country. It was to ensure that the United States Government was aware of just how rough that Mr. Benson and Mr. Pepin went to Washington yesterday. They did not go to seek favours, still less to make concessions. They went to make clear to the United States Government that there was no justification for what it was doing to Canada. Secretary Connally agreed to give our arguments careful consideration, and we are now awaiting a reply.

Canada, of course, is not the only country that is affected by this particular policy. For that reason we welcome the consultations that will be taking place with other trading nations who share membership with us in the associations which exist for that purpose – the International Monetary Fund, GATT, and the Group of Ten – to see what can be done to achieve the improved international trade and financial arrangements which the U.S. is seeking.

Canada does not take issue with the decision of the United States to grapple with its economic problems. Several of those problems are familiar to us. It is of no less importance to Canada than to the United States that both inflation and unemployment be attacked with vigour. Our message to the United States Government is quite simple: we understand your problem, we sympathize wholeheartedly with your goal of a healthy economy, we suggest only that the application of your surcharge to Canadian exports contributes in no way to the attainment of that goal. A weak Canadian economy is no help to the United States. Unemployed Canadians cannot afford to buy U.S. goods. At the present time, as for several years, U.S. exports to Canada are comparable to the combined total of all American sales to Japan, Germany, Britain and France; we buy about one-quarter of all U.S. exports. Without our market the U.S. economy would be in much more serious difficulties than it now finds itself.

CONTENTS

Mr. Trudeau Clarifies Canada's View of U.S. Surcharge	1
Japan-Canada Ministerial Meeting	2
Canada-Hungary Trade	2
Wheat for Algeria	2
Virgin of Fatima Statue Tours Canada	3
New NRC Library	3
Pension Benefits Increase	4
Drone Demonstrated to Italians	4
Canada-Lebanon Air Talks	4
Oil-Spill Stopgap Plan	5
NHA Loans for Mobile Homes	6
National Ballet's 20th Season	6
ICAO Representative	6
Grants to Sports Agencies	6

Canadians enjoy one of the highest standards of living in the world. We do so because of our success as a trading nation. Were we not such strong traders — on a *per capita* basis, the biggest in the world — our standard of living would be a fraction of what it now is. One quarter of our gross national product comes from external trade. We cannot, of course, sit mutely and absorb the impact of this United States surcharge which, if it continues in effect against Canada, will hurt us more than any other country. But neither is it in our interest to retaliate and set in motion the destructive spiral of an international trade war. Everyone would be a loser in those circumstances.

Our policy, then, is to take all steps to damp elsewhere in the world talk of such a self-defeating practice and to press the United States Government to re-examine the surcharge as it applies to us. The United States Government has made no complaint to Canada about artificial exchange rates. Nor have they raised with us more than minor matters in respect to Canada's trade practice. There is no justification, therefore, for applying penalties to Canadian trade.

We wish the United States every success in restoring its economy to health. We ask, however, that in meeting unfair practices on the part of other countries it not itself be unfair. I am confident that President Nixon intended no unfairness and that this problem will be resolved in the spirit of friendship which characterizes all relations between our two countries.

JAPAN-CANADA MINISTERIAL MEETING

The Secretary of State for External Affairs, Mr. Mitchell Sharp, announced recently that the sixth Japan-Canada Ministerial Committee Meeting would be held in Toronto on September 13 and 14. The Canadian delegation will consist of Mr. Sharp as chairman, the Minister of Industry, Trade and Commerce, Mr. Jean-Luc Pepin, the Minister of Finance, Mr. E.J. Benson, the Minister of Energy, Mines and Resources, Mr. J.J. Greene, and the Minister of Agriculture, Mr. H.A. Olson. The Japanese Government will be represented by the Minister of Foreign Affairs, Mr. Takeo Fukuda, the Minister of International Trade and Industry, Mr. Kakuei Tanaka, the Minister of Finance, Mr. Mikio Mizuta, the Minister of Agriculture and Forestry, Mr. Munenori Akagi, and the Director General of the Economic Planning Agency, Mr. Toshio Kimura. Also in attendance will be the Ambassador of Canada to Japan, Mr. H.O. Moran, the Ambassador of Japan to Canada, Mr. Shinichi Kondo, and senior officials of the two governments.

The ministers will be discussing a broad range of subjects of interest to the two countries including international, political, and financial matters, bilateral trade relations, and questions relating to

energy and mineral resources.

The forthcoming meeting of the Committee is the first to be held in Canada outside Ottawa. The previous meeting took place in Tokyo in April 1969. The Japanese ministers and their wives and the official party will arrive from Washington on September 11 and will spend Saturday and Sunday in the Toronto and Niagara Falls area. Following the meeting on September 13 and 14 the Japanese party will travel to Vancouver, where they will remain overnight September 15, before leaving for Tokyo on September 16.

CANADA-HUNGARY TRADE

A protocol extending the Canada-Hungary Trade Agreement to December 31, 1971, was signed in Budapest on August 10.

In addition to providing for the continued exchange of most-favoured-nation treatment, the Protocol includes an undertaking by the Hungarian Foreign Trading Enterprises to purchase a minimum of \$2.1-million worth of Canadian goods of their choice during the five-month period of the extension.

The Trade Agreement was negotiated between Canada and Hungary in 1964 and renewed for a three-year extension of the pact that ended in August 1971, Canadian firms concluded export business valued at over \$15 million with Hungarian state-trading enterprises.

Negotiations for the conclusion of a new long-term trade agreement are well advanced and Mr. Jean-Luc Pepin, Minister of Industry and Commerce, indicated that he expected to be able to make an announcement after the House reconvenes.

WHEAT FOR ALGERIA

The sale of 190,000 metric tons (7 million bushels) of wheat by the Canadian Wheat Board to Algeria was announced recently by Mr. Otto Lang, Minister responsible for the Canadian Wheat Board.

The contract, which was signed for Algeria by H.M. Louhibi, Director-General of the Office Algerien Inter-professionel des Cereales, is valued at about \$13 million. Both durum and bread wheats are included; delivery will be over the next 12 months.

This sale is part of a four-year agreement negotiated between the Government of Algeria and the Canadian Wheat Board late last year. The long-term agreement, first of its kind with Algeria, calls for the delivery of between 850,000 and one million metric tons (37 million bushels) by July 31, 1975.

The terms of the four-year agreement call for payment of 10 per cent in cash when each vessel is loaded and the balance over three years, with interest. "These terms were made possible by a guarantee to the Canadian Wheat Board under the Government's revised and expanded credit program," Mr. Lang said.

VIRGIN OF FATIMA STATUE TOURS CANADA

In April, Canadian Roman Catholics received from the Bishop of Fatima in Portugal (the scene of an alleged appearance of the Blessed Virgin Mary in May 1917 to three shepherd children) a wooden statue of "Our Lady of the Rosary of Fatima". This image, known as the National Pilgrim Virgin of Canada, was brought to the Ottawa home of Mr. Daniel J. Cillis, who had made the arrangements for its entry into the country, by the American emissary of the Bishop of Fatima.

The National Pilgrim Virgin of Canada is one of 70 such statues donated to the same number of countries. During his visit to the celebrated Portuguese shrine on May 13, 1967, the golden jubilee of the vision, Pope Paul VI blessed 25 of these votive figures; the other 45 had already been blessed by the Pontiff in Rome. The Pilgrim Virgins are regarded as peace symbols because the 1917 apparition is said to have promised that humanity would be granted an "era of peace" if it responded to Mary's call to "prayer and penance".

The peregrinations of every statue of the Virgin of Fatima have been preceded by a ceremonial coronation. In the United States, the Pilgrim Virgin was crowned in the National Cathedral Shrine of the Immaculate Conception, Washington, by Patrick, Cardinal O'Boyle. The crowning took place in Canada at a Marian shrine at Mayo, Quebec, about 30 miles from Ottawa. The ceremony was conducted in French and English by a bilingual bishop, the Most Reverend Joseph R. Windle. It was the opinion of the arrangers of the coronation that the fact that it was held in the two official languages of Canada would exercise a harmonious influence on the relations between Canada's two "founding races". On the same day as the Mayo ceremony, similar ceremonies were held in the other 69 countries that had received a statue of the Virgin of Fatima.

The National Pilgrim Virgin is about 42 inches high, and wears a long robe and a veil of white edged in gold. It carries a large rosary of pearls and a



silver crucifix. An Ottawa cabinet-maker, Herman Zwiers, made a hand-carved wooden litter for the carrying of the image in processions.

The Virgin's crown, made in Portugal, is of filigree gold metal, mounted with small coloured stones and surmounted by a cross.

The canonically-crowned statue, travels from diocese to diocese only at the invitation of the bishops of the diocese desiring a visit. Once it has been invited by a prelate and officially received by him (usually at a ceremony in the cathedral), the image is taken from church to church and to hospitals and religious institutions at the request of pastors and people, usually in procession.

NEW NRC LIBRARY

A \$12,844,000-contract has been awarded to V.K. Mason Construction Ltd., Ottawa, for the construction of the National Science Library at the National Research Council on the Montreal Road, Ottawa. Work will begin shortly on the new building.

The building will permit the National Science Library to employ the latest techniques for storing, retrieving and disseminating information and will have stack space for two million volumes.

The eight-storey building will have both steel and reinforced concrete framing, designed to withstand earthquakes. It will be faced with white precast

concrete panels to blend with nearby buildings of the National Research Council.

Although the five upper stories will be stack floors, one of them will be used for a time as a computation centre. The three lower floors will contain the main circulation areas, reference and reading rooms, translation areas and offices. The two main lower floors are designed as large open spaces to enable use of the open-landscaped office-planning principle. They will have specially designed acoustic ceilings, wall treatment and carpeted floors to provide the sound-absorbent qualities required in these areas. The western half of the second floor level will be for NRC's Technical Information Service.

An electronically-controlled conveyor system will facilitate the delivery of books between the stacks, the reading rooms, the photocopy workrooms, the mail room and other main areas.

The Library will be situated in a natural landscaped setting to form a central pivot for the first phase of the South Campus at the National Research Council. The project is scheduled for completion late in 1973.

PENSION BENEFITS INCREASE

Benefits and contributions under the Canada Pension Plan will increase in 1972, it was announced recently by National Health and Welfare Minister John Munro and National Revenue Minister Herb Gray. Mr. Munro's Department is responsible for the administration of benefits under the CPP, while National Revenue is responsible for the coverage and collection of contributions under the Plan.

The increases result from a 2 percent rise in the pension index, the legal maximum. Pension index changes reflect increases in the consumer price index.

Mr. Gray said that maximum annual pensionable earnings under the Canada Pension Plan would be \$5,500 in 1972 (\$5,400 in 1971). Maximum yearly contributions by employers and employees will become \$88.20 each, increased from \$86.40. Self-employed persons will contribute a maximum of \$176.40, compared to the 1971 figure of \$172.80.

More than 300,000 retirement, survivors' and disability benefits will be increased in January 1972.

Benefits for orphans and the children of disabled contributors, and the flat-rate components of pensions to widows, disabled widowers and disabled contributors will increase to \$27.60 monthly, from \$27.06.

The maximum death benefit under the Canada Pension Plan, payable in a lump sum to the estate of a deceased contributor, will be \$550 for deaths occurring in 1972. The 1971 maximum is \$540.

Mr. Munro added that the Guaranteed Income Supplement payable to lower-income old-age pensioners will also increase as a result of the rise in the pension index.

The maximum combined Old Age Security pension and Guaranteed Income Supplement for a single person or a married person whose spouse is not also a pensioner, will increase in April 1972, to \$137.70 from \$135, the maximum supplement portion becoming \$57.70.

The maximum supplement combined with the pension, for a married person whose spouse is also a pensioner, will increase to \$130.05 from its present \$127.50. That is, each spouse will receive a total payment of \$130.05, the supplement portion being \$50.05. A married couple 65 or older can be eligible for a maximum combined monthly benefit of \$260.10 a month, compared with \$255.00 at present.

DRONE DEMONSTRATED TO ITALIANS

The Department of Industry, Trade and Commerce announced recently that representatives of the Italian Army had witnessed the successful demonstration and evaluation flights of a Canadian airborne surveillance-drone system at the Salto di Quirra Range in Sardinia.

The flights were carried out by a combined unit comprising the British Drone Troop, Royal Artillery and German Drogen Lehr und Versuchsstaffel under the direction of a Canadian planning team headed by Lieutenant Colonel Walter Johnston of Minnedosa, Manitoba. In conjunction with the demonstration, observers from Brazil, France, Japan, the Netherlands, Spain, Sweden, Switzerland, Venezuela and the United States of America witnessed the flights on June 16 and 17.

The self-contained, mobile drone system can be used for day and night reconnaissance and target acquisition as well as surveillance, using either cameras developed by Zeiss or an infrared linescan developed by Hawker Siddeley Dynamics Limited. Its development was started in 1961 by Canadair on a cost-shared basis with the Canadian Government. The following year, Britain joined with Canada to support the development program and, in 1965, the Federal Republic of Germany became a partner.

The drone is 8 feet long, about 1 foot in diameter and is launched by a rocket-booster. It flies on a pre-selected path and returns to a pre-determined point where the final phase of its flight is controlled by a homing beacon. When the drone reaches the recovery area, its engine cuts off and a parachute floats the drone to the ground. Photographs taken during its flight can be rapidly developed and the drone sent off on another mission.

The drone, which was developed by Canada, Britain and Germany on a shared-cost basis, has been produced and controlled by a project management team in Ottawa, staffed with British, German and Canadian military and civilian personnel.

CANADA-LEBANON AIR TALKS

Delegations from Lebanon and Canada met in Ottawa on August 19 and 20 to discuss proposals relating to a bilateral air transport agreement to govern commercial scheduled air services between Canada and Lebanon.

The discussions took place in a friendly and co-operative atmosphere and there was a useful exchange of views on the provisions of such an agreement. It was agreed that further discussions would take place soon.

The Lebanese delegation was headed by Dr. Alif Gébara, Lebanese Ambassador to Canada; the head of the Canadian delegation was Mr. G. Morisset, Chairman of the International Transport Policy Committee of the Canadian Transport Commission.

OIL-SPILL STOPGAP PLAN

The Minister of Transport, Mr. Don Jamieson recently announced an interim federal contingency plan for handling oil and toxic materials spilt in Canadian waters. It is designed to deal with "spills" in waters under federal jurisdiction to ensure support to provincial contingency plans and to form the basis for negotiation with the provinces of a more comprehensive national plan.

The plan divides Canada into five main areas: the northern regions (including the Canadian Arctic), the East Coast, the West Coast, the Great Lakes and the St. Lawrence River. The Prairie Provinces, though not included in the plan, will receive federal assistance if they require it and will be covered in the comprehensive national plan under development.

The Canadian Government assumes full responsibility for response to pollution incidents in the Canadian Arctic, in the waters off the East and West Coasts under federal jurisdiction, and in international waters where Canadian interests are affected.

In the Great Lakes region, because of federal, provincial and United States jurisdiction, the Canadian Government will respond to major spills in co-operation with the Ontario and U.S. Governments. In addition to the Federal Government's existing interim contingency plan, a comprehensive plan has been developed and approved as part of the intended agreement between Canada and the U.S. for joint action against pollution in the Great Lakes, which is now being prepared for approval by the two governments.

In waters under federal jurisdiction, the response to spills will be initiated by co-ordinators on the scene, who will be responsible for handling clean-up operations using local resources or, if the job is too big, calling for increased federal assistance.

Action on pollution in provincial or joint provincial and federal waters will be initiated, in most cases, by municipal or provincial officials. If incidents of pollution are beyond the capability of local authorities to handle, the full resources of the Federal Government can be made available on request.

FEDERAL CLEAN-UP TEAM

An interim interdepartmental committee has been set up to establish and maintain the federal capability to respond to a major spill. Its responsibilities include development of a containment and clean-up team which could be moved to the spill on short notice. Personnel, specialized equipment and fast transport will be drawn from the Ministry of Transport, the Department of National Defence and the Department of the Environment.

The committee is also responsible for fostering research and development in areas related to distribution and disposal of pollutants and initiating liaison with provincial governments to offer support and to develop with them a permanent national contingency plan.

Detailed technical information to assist in

combating spills has been prepared in the form of a manual by a technical working group of the Interdepartmental Committee on Water.

OTHER MEASURES

Local co-operative groups, representing the various levels of government, and the oil industry, have been established in various centres throughout Canada.

The Ministry of Transport is investigating the feasibility of providing a capability in Coast Guard ships on both coasts and the Great Lakes to combat spills. Equipment would include skimmers (slick-lickers), booms, barges, pumps, hoses, gas engines and spares.

Various types of equipment and supplies of absorbents, such as peat moss, are located at Fort Hawkesbury, Dartmouth and Charlottetown, and additional equipment is being assembled for storage at Vancouver and Hamilton. Peat moss has been stored at Resolute Bay, and certain vessels which operate in the Arctic have been fitted with suction and discharge hose pipe and pumps.

Planning is under way for the strategic stock-piling of clean-up material at St. John's, Newfoundland, Quebec City, Hay River (Mackenzie River) and at Prince Rupert, British Columbia.

Personnel of the Canadian Coast Guard are being briefed and trained in clean-up techniques as they are developed.

COSTS

According to a recommendation contained in the interim federal contingency plan for handling oil and toxic material spills, costs involved in cleaning-up pollution incidents should be borne by the polluter.

The document states, however, that "the nature of a pollution incident is such that it is not practical to decide on cost responsibilities at the time of the incident. The important thing is to effect a containment and clean-up...with all due haste and to provide a mechanism whereby the cost-sharing can be worked out after the fact".

Costs associated with a pollution incident can be considered in two categories:

- (1) operating costs, which include material and personnel costs associated with containment and clean-up; and
- (2) preparedness costs, including the personnel and material costs associated with the maintenance of the contingency planning organization, such as stock-piling strategic materials, research and trials of containment and clean-up techniques. These costs would be borne by the departments of government responsible for various aspect of preparedness.

Most expensive items would be capital and operating costs. Special arrangements would be made for funding, including the provision of an effective accounting system.

NHA LOANS FOR MOBILE HOMES

Mr. Robert Andras, Minister of State for Urban Affairs, announced recently that Central Mortgage and Housing Corporation had given the Royal Bank of Canada an undertaking to insure over \$5.5 million in National Housing Act mortgage loans for a mobile-home development in Stroud, Ontario – the first such development to be so underwritten by the Federal Government.

The project site is the northeastern section of Innisfil Township, about eight miles southeast of Barrie, near Sandycove, a resort area on Lake Simcoe, 50 miles from Toronto on Highway 11. As a resort area, it possesses all recreation facilities for summer and winter.

“A few days ago, at a meeting of the Parliamentary Committee on Health, Welfare and Social Affairs,” Mr. Andras stated, “I described some of the federal programs for this year arising out of the CMHC 1971 capital budget. I mentioned that about \$100 million would be set aside for initiative and development projects which would include, among other things, consideration of one or two mobile home projects. I am happy today to be able to confirm the Federal Government’s willingness to underwrite this endeavour.”

The Minister said that he recognized the widespread interest in Canada in the mobile home. “At the same time,” he continued, “the vehicular concept of the mobile home has changed so that today, in ever increasing numbers, units are being permanently located on land as an inexpensive single-family house. As we interpret it, the mobile home has evolved from a vehicle to a form of systems building representing a manufactured unit. When properly located on an appropriate site in a suitable subdivision, the product provides a satisfactory form of permanent housing.”

NATIONAL BALLET’S 20TH SEASON

During its twentieth anniversary season, the National Ballet of Canada will perform for 48 weeks, touring the Ontario centres of Sudbury, Elliot Lake, North Bay, Kirkland Lake, Windsor, London, Hamilton, Kingston, Belleville, Brockville, Peterborough, Orillia, Deep River, Ottawa and Toronto, as well as Montreal, and will embark on its first European tour next May and June.

The European tour, a highlight in the 20-year history of the company (which received its charter on October 22, 1951), will include performances in London, Stuttgart, Paris, Brussels, Glasgow, Lausanne and Monte Carlo.

Fifteen new dancers have been added to the company this year including some from abroad and across Canada. New members are: principal dancer Sergiu Stefanschi from the Paris Dance Theatre in France; soloist dancers Marc Digout from the Theatre Arts Ballet in Rouen, France, and Kenneth Lipitz

from the National Ballet of Washington; additions to the *corps de ballet* are Kristine Soleri of the Robert Joffrey School in New York City, Dianna Marks from the National Ballet of Washington, and Ronald Meister from the Los Angeles Ballet Society.

Joining the company from the National Ballet School are Andrea Davidson, Wendy Reiser, Valerie Wilder, Ian Amos, Brian Armstrong, Robert Desrosiers and Victor Edwards.

Rejoining the National Ballet after a one-year absence is principal dancer Nadia Potts, and soloist dancer Howard Marcus, who has been performing with the Toronto Dance Theatre.

ICAO REPRESENTATIVE

Pierre R. Joubert has been appointed by the Department of External Affairs as Canada’s representative to the International Civil Aviation Organization. Canada was re-elected this year to the Council of ICAO with the highest number of votes cast for any candidate. The headquarters of the organization are at Montreal.

Mr. Joubert replaces Henri Gourdeau, who as a representative of the Asian Development Bank, will advise Nepal in the development of a modern aviation system.

Before his present appointment, Mr. Joubert was on loan to ICAO from the Ministry of Transport as a technical adviser to Saudi Arabia. He served previously as chief of air-traffic control at Montreal International Airport.

GRANTS TO SPORTS AGENCIES

Sixteen national sports-governing bodies and program-operating agencies have been awarded federal grants totalling \$295,928.

The grants, awarded under the Department of Health and Welfare’s Fitness and Amateur Sport Program, will help sports bodies stage national championships, send Canadian athletes to international competitions and help cover travel costs of delegates attending annual and executive meetings.

The 16 national sports agencies receiving grants are: Shooting Federation of Canada, \$81,230; Canadian Wheelchair Sports Association, \$24,127; Canadian Curling Association, \$9,275; Canadian Weightlifting Federation, \$8,815; Canadian Amateur Football Association, \$1,678; Canadian Women’s Field Hockey Association, \$3,248; Canadian Amateur Speed Skating Association, \$732; Canadian Lacrosse Association, \$7,821; Canadian Amateur Basketball Association, \$2,435; Canadian Amateur Wrestling Association, \$14,234; Canadian Rugby Union, \$15,393; Association of Canadian Underwater Councils, \$1,498; Canadian Cycling Association, \$5,000; Canadian Gymnastics Federation, \$45,184; Canadian Canoe Association, \$68,758; and Canadian Horse Shows Association, \$6,500.