

Canada Weekly

Volume 4, No. 36

September 8, 1976



Ottawa, Canada.

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New chequing system, admission of foreign banks proposed for new Bank Act

The Federal Government's white paper on banking, issued on August 23, proposes significant changes to encourage more competition in Canada's financial system. The present Bank Act, which must be renewed every ten years, expires on June 30, 1977. The paper provides further opportunity for public discussion before conclusion of the current review, for which comments are invited before October 15.

The white paper proposes the establishment of a new national framework for the Canadian chequing system. It would permit subsidiaries of foreign banks to operate in Canada. The establishment of new Canadian domestic banks will be made easier, and some changes are also proposed in the powers of chartered banks to promote stronger competition within Canadian control and predominantly Canadian ownership. Some of the highlights of the white paper follow:

The white paper points to growing inequities and fragmentation within the payments function, which lies at the heart of the financial system. This function is exercised principally by the chequing system, under which deposits are transferred by cheque or similar orders to settle financial obligations. Trust and mortgage loan companies, *caisses populaires* and credit unions largely outside federal regulation, play an important role in effecting payments. However, they have only indirect access to the clearing system for cheques, and do not enjoy a full voice or full rights in its operations, with the result that they are not fully subject to all its obligations.

The white paper proposes to bring all institutions offering chequing facilities into a new Canadian payments association to replace the present clearing system operated by the chartered banks. Members will share the same rights and obligations. They will obtain credit facilities from the Bank of Canada and will be required to maintain minimum reserves with the central bank. The reserve requirements are:

(On Canadian dollar notice deposits, and term deposits with an original term to maturity of one year or less, or longer if encashable – includes most reservable deposits of near-banks) – 2 per cent on the first \$500 million; 4 per cent on the remainder.

(On Canadian dollar demand deposits – mainly banks) – 12 per cent as at present.

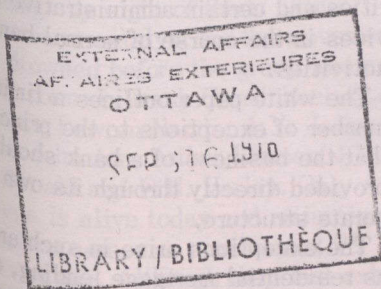
(On foreign currency deposits used domestically) – 4 per cent.

Foreign banks

Although Canadian law does not permit foreign banks to operate as banks in Canada, they have established many affiliated corporations here as active lenders to business and as borrowers in the money market. Many of their operations are not subject to regulation. They enjoy some special advantages and have captured a significant share of commercial lending activities, including some areas where direct participation by Canadian banks is prohibited under the Bank Act.

Foreign banks can bring additional competition and innovation to bear in Canadian banking. With their worldwide connections, they can help develop Canadian resources, industries and trade.

The paper therefore proposes to allow foreign bank subsidiaries to operate in Canada as banks, incorporated with full powers under the Bank Act. However, Government policy will be to limit their growth and size individually and their combined operations to 15 per cent of commercial lending in Canada, these limits being subject to review. They will be permitted a maximum of five branches; a minimum of one-half of their directors will have to be Canadian citizens. Limits on the size of any foreign bank subsidiary will be removed if it opts to "Can-



adianize" by selling shareholdings in excess of 10 per cent to Canadians.

Canada will expect reciprocal recognition for its banks in the jurisdiction of the parent bank. The Government does not propose to permit the establishment in Canada of branches or agencies of foreign banks. Foreign bank representative offices will be registered.

Non-bank subsidiaries of foreign banks in Canada will be required to file reports on their activities. Unless specifically authorized, such affiliates will be denied the right to borrow in the Canadian market with the guarantee of their foreign parents.

Entry into banking

The growth of the financial system has been accompanied by a gradual reduction in the proportion of total banking business done by the five largest Canadian banks. They held 61 per cent of total Canadian dollar deposits of all Canadian deposit-accepting institutions in 1975, compared to 69 per cent in 1967 and 75 per cent in 1960. One aspect of change in the system has been a recent acceleration in the establishment of new banks.

However, a substantial degree of concentration remains in Canadian banking, and to encourage greater competition the Government proposes to further facilitate the entry and growth of new Canadian banks. The main proposals are:

- Incorporation of banks by letters patent as an alternative to the present unique requirement of incorporation by special Act of Parliament.
- Provisions allowing Canadian institutions with financial experience and expertise to establish a new bank with an interest of 25 per cent (or more if approved by Governor-in-Council) for ten years. (Trust companies and others which accept deposits from the public are excluded from the proposal because of potential conflict of interest.)
- Provincial governments will be permitted to hold and vote up to 25 per cent of the shares of a new bank, reducing to 10 per cent within ten years.
- Incorporation provisions will facilitate conversion of an existing financial institution to a chartered bank.
- Reserve requirements will bear lightly on new banks until liabilities exceed \$500 million.

Business powers

Three principles are reflected in the Government's review of the powers conferred by the Bank Act:

- To avoid potential conflicts of interest. For example, business decisions could be affected if an institution is in a position to exercise both trustee powers and lending powers with respect to the same client.
- To extend, where possible, the availability of special financing services. Where conflicts of interest do not arise, it is desirable to broaden competition in services closely related to other banking services; factoring and leasing are examples.
- To encourage provision of services directly, rather than through affiliated corporations, to improve regulatory control, to avoid conflicts of interest, and to discourage non-financial activities.

Financial leasing

Banks will be permitted to engage in financial leasing of equipment, subject to certain regulations. (Financial leasing is a form of financing which can benefit small and medium-sized businesses in particular.)

The white paper proposes to permit banks to engage in factoring in order to increase competition and the Canadian presence in this activity. (In factoring, a seller of goods or services contracts with another party to finance and collect his accounts receivable and to assume the credit risks involved.)

Residential mortgages

The Bank Act now places arbitrary limits on bank holdings of residential mortgages. The limits have so far constrained only new banks, but in future they could also curb mortgage lending by larger banks. The limits will be removed in recognition of the need for residential mortgage funds.

Data processing and securities

The extension of data processing services to bank clients poses concerns about concentration of power and conflict of interest. There is also a need to permit room for the independent computer services industry to grow and develop. Regulations, therefore similar to the guidelines in effect

since January 1975, will be introduced limiting banks' data processing services to those directly related to the making of payments and to banking-related services provided to other financial institutions.

The role of banks in dealing in corporate securities will be defined more precisely. Most importantly, the power of banks to underwrite corporate securities or to act as agent in the private placement of corporate securities will be withdrawn, but the name of a bank will be permitted to appear in a prospectus or advertisement listing the selling group to enable the banks to distribute corporate securities.

Trust activities

Although banks will not be given trustee powers, the Bank Act will clarify powers of the banks with respect to a number of activities related in some degree to trustee business.

Banks will be permitted to sell but not manage mutual funds. They will be restricted to offering registered retirement savings plans and registered home ownership savings plans in the form of deposit plans only.

Banks would generally not be permitted to engage in portfolio management or investment counselling. Exceptions would be provided under certain conditions in respect of real estate investment trusts and mortgage investment companies. Small clients or infrequent investors could continue to request advice on particular securities and certain administrative services in the course of normal banking activities.

The white paper outlines a limited number of exceptions to the principle that the business of a bank should be provided directly through its own corporate structure.

The exceptions arise in such areas as residential mortgage lending, certain mortgage-based funds, venture capital and joint venture activities.

The broad reforms recently enacted or now under way in legislation dealing with corporations, competition and bankruptcy will be applied to banks, either directly or through revisions in the Bank Act. Banks will be given additional flexibility in the forms and methods of raising capital. Requirements for financial disclosure will be strengthened.

Group of Seven paintings tour Britain and the Soviet Union

A major collection of paintings by the Group of Seven, Canadian landscape painters, from the McMichael Canadian Collection, Kleinburg, Ontario, will be exhibited in Scotland, England and the Soviet Union under the joint auspices of the Department of External Affairs and the province of Ontario, with the assistance of Air Canada.

In co-operation with the Scottish Arts Council, the paintings will be shown at the Kelvin Grove Art Gallery and Museum in Glasgow from August 24 to September 19, the Talbot Rice Centre at Edinburgh University from September 29 to October 29 and at the Aberdeen Art Gallery from November 24 to December 18. The collection will then be shown in London at the Canada House Art Gallery, Trafalgar Square, from January 11 to February 24. The itinerary for the U.S.S.R., which will include two or three major centres beginning in March, will be announced later.

Group's first exhibition

The collection represents an art movement that had its official beginnings nearly 60 years ago, when seven artists held an exhibition at the Art Gallery of Toronto. The original "Group of Seven" eventually included ten landscape painters, and the touring collection of 44 works includes paintings by eight of them: Tom Thomson, a catalyst for the movement who drowned before the group was actually formed; Frank Carmichael; A.J. Casson; Lawren Harris; A.Y. Jackson; Frank Johnston; Arthur Lismer; J.E.H. MacDonald and F.H. Varley. Only A.J. Casson is alive today and maintaining an active career as a painter at 78 years of age. Although they last exhibited together in 1931, the painters of the group remain the best known exponents of a distinctively nationalist movement in the history of Canadian art.

Adventurers, the Group of Seven crossed Canada from ocean to ocean and from the southern border penetrating deep into the Arctic Circle. Their brushes spontaneously interpreted the Canadian Shield, the towering mountains, the solitude of the magnificent

lakes and forests, and the simplicity of the village homesteads. Their palettes, vibrant with the pure colours of the North, inspired panels of dramatic impact and freshness.

Dedication to Canada

They were dedicated to a direct and unaffected mode of painting derived from an experience of the Canadian land that all Canadians could recognize. "The great purpose of Canadian art," said A.Y. Jackson, senior member of the group, "is to make us feel at home in our own country."

From their many sketching trips to the northlands, the artists brought views of the brilliant colours and the drama of the Canadian woodlands which were romantic and revolutionary statements of "the true North strong and free". Although their styles varied, they shared a common dependence upon the inspirational quality of the landscape. Their works became accepted, and purchased by enthusiasts in Canada and in Britain. The Tate Gallery in London bought one of A.Y. Jackson's

paintings following the group's showing at the British Empire Exhibition at Wembley in 1924.

Formation in 1920

The Group of Seven, with members Carmichael, Harris, Jackson, Johnston, Lismer, MacDonald, and Varley was formed in 1920 without constitution, minutes or regular meetings. In their first catalogue, published at Toronto in 1920, the artists stated they "...have for several years held a like vision concerning art in Canada".

The artists expanded in 1933 to become the larger more representative Canadian Group of Painters.

Tom Thomson, a prodigious artist, perhaps nearest to nature of all, drowned in the vast remote expanse of Algonquin Park, Ontario, in the north-land he loved. Although he did not live to hear the words, Group of Seven, Thomson remains revered in Canadian painting and lore.

Arthur Lismer spoke for the group... "Above everything else, we must have life, vitality and vigour in our art... Art is the means by which we set the seal of our nationality."



Frank Varley (1881-1969), painted Stormy Weather, Georgian Bay in 1920. It is one of 44 works in an exhibition

by the Group of Seven on tour in Britain, which will be shown in the Soviet Union in March.

Supplementary contribution for Palestine refugees

The Secretary of State for External Affairs, Allan J. MacEachen, recently sent the following message to the Secretary General of the United Nations, Dr. Kurt Waldheim:

In messages on June 21 and July 30, 1976 you have drawn the Prime Minister's attention to the most difficult financial situation faced by the United Nations Relief and Works Agency for Palestine Refugees in the Near East. The Government of Canada, having studied with great sympathy the obligations which UNRWA will have to carry out in the near future and the needs to which it responds, has decided to consider favourably your appeal for a further Canadian contribution to the Agency for 1976. Accordingly, Canada will be making shortly a supplementary contribution of \$300,000 Canadian to help the Agency pursue its activities. This sum will be in addition to Canada's regular contribution for 1976 which amounted to \$3,350,000 Canadian and which represented in itself a \$150,000-increase over the 1975 level.

Since the creation of UNRWA, Canada has never failed to give it tangible support. Our concern for the fate of these refugees has never faded; on the contrary, we are extremely concerned that it has not been possible over the years to find a permanent solution to the conflict in the Middle East of which they are the victims. Until that goal is finally attained, UNRWA's valuable services should be maintained. The Government of Canada is as concerned as you are with the precarious financial situation of the Agency. We shall therefore be prepared to examine with you and with other members of the Organization what can be done to ensure continuation of essential humanitarian activities of UNRWA.

Business trends favourable

In a detailed look at economic performance in Canada and the United States over the past year, the Bank of Montreal's August *Business Review* concludes that business conditions are in moderate recovery and forecasts that this "favourable" trend will continue into 1977.

Regarding consumer spending, the *Review* points out that the increase in the first year of recovery has been about normal compared to earlier upswings. And while consumer attitudes appear to be more optimistic than they were a year ago, they are still depressed by historical standards. However, take-home pay is up 14 per cent in Canada and 11 per cent in the U.S. over the past year.

In all, the *Review* states that "enough momentum appears to have been built up to ensure continued strength in consumer spending well into 1977. Attitudes should improve and while wage-rate increases will probably decline, employment growth, at least in Canada, seems likely to pick up substantially".

The investment picture, however, is not as encouraging. In fact, it "has been fairly weak, a situation which will have to change at least in 1977 if the upswing is to continue".

And while profits normally rise during a recovery period, this time profit growth in Canada "has been anaemic". As a result, there is concern that a turn-up in investment will not materialize and the upswing will peter out.

Foreign trade

In foreign trade, Canada's merchandise exports were stimulated by the U.S. recovery and increased 16 per cent in the one year ending in May this year, with autos and auto parts to the U.S. leading the way.

Although imports also rose in this same period, the *Review* forecasts that "Canada now appears to be returning to its more traditional surplus position. However, with trade in services in a deeper and worsening deficit, the country is still running an over-all current-account deficit about as large as in 1975 when it was a record \$5.1 billion".

In the face of this deficit, the Canadian dollar would normally be expected to be under downward pressure. But since interest rates remained at a high level, Canadian borrowers found it attractive to seek U.S. financing and heavy capital inflows have produced the opposite effect on the dollar.

Close to \$5 billion has already been borrowed in foreign markets this year, the *Review* reports. This exceeds total 1975 foreign borrowings and "it is difficult to believe that this can be sustained much longer and...the dollar

will inevitably decline".

The upward pressure on the Canadian dollar did for a time threaten the Bank of Canada policy of restraining growth in the narrowly-defined money supply (currency and demand deposits at banks) to a 10-to-15 percent range. But according to the *Review*, Canadian financial authorities seemed to view the dollar's strength as temporary and the Governor of the Bank of Canada in fact indicated that the money supply target-range would be lowered in the near future.

While the narrowly-defined money supply has been held down, the *Review* points out that the more widely defined money supply has advanced at a fast pace because of strong loan demand. Except for April and May, loans have increased at "annualized" rates of over 20 per cent in every month this year.

First-quarter inventory buildup, continued inflation resulting in increased working capital requirements, slow-profit growth and continued high long-term interest rates which encourage the deferring of long-term borrowing in favour of short-term loans, are seen as key factors behind this strong demand.

In the area of fiscal policy, the *Review* notes that all levels of government in both countries have been attempting to curb excessive spending by trimming expenditure growth rates. However, the *Review* questions, "Whether this relative moderation will be achieved is a moot point. Recent experience has shown that supplementary spending often increases the totals substantially as the year proceeds".

Fees hike for foreign students

Fees paid by new students from abroad who attend Ontario universities and colleges of technology are to increase. The new rates at colleges begin in September and at universities in January 1977, and apply only to foreign students beginning a course of studies for the first time.

The present charge of \$585 per two-term academic year at universities, will increase to \$1,500. At colleges of applied art and technology throughout the province fees for foreign students rise to \$750 per two-term academic year, from \$250.

Return of the peregrine falcon

One of the swiftest birds in the world, the peregrine falcon, may survive extinction in North America if an imaginative experiment works, Acting Environment Minister Roméo LeBlanc announced recently.

The Canadian Wildlife Service has had success in breeding in captivity *pergrinus anatum*, the most endangered of the three subspecies found in North America. Most of the 41 young birds produced this year have been set free in various urban, rural, and remote places in Canada where the species formerly existed.

"These releases are primarily experimental, to develop techniques for re-introduction," said Richard Fyfe, the CWS biologist who has led this effort to save the peregrines in Canada. "The young birds will run heavy risks as they learn to fly and hunt on their own."

The Canadian Wildlife Service plans to continue releasing captive-raised young peregrines into the wild in the hope that some will survive and begin to breed.

Widespread declines in peregrine populations in North America and Europe began in 1945. Surveys of traditional North American nesting sites in 1970 and 1975 revealed that the bird had been eliminated in the east and was rapidly declining on most of the continent.

High residue levels of toxic chemicals were found in surviving falcons and their eggs, which caused thin eggshells, unsuccessful eggs, and abnormal behaviour in parent birds.

"Captive birds used to produce the newly released falcons have very low residues and are laying viable eggs with normal shell thickness," according to Richard Fyfe.

This work in Canada is closely linked to a similar program in the United States, run from Cornell University. The Cornell team is also releasing captive-raised peregrines. The CWS effort has been possible through the co-operation of the provinces and the territories, who have the responsibility for protecting peregrines. Alberta and the Northwest Territories have been especially active in support of the CWS project.



Newly-hatched peregrines are awkward bundles of creamy white down with

disproportionately large feet (and mouths, too, at feeding time).



Ever since the nomads of central Asia first pursued game with trained hawks and falcons, the peregrine falcon has been a favourite of falconers. Now an endangered species in North America, the peregrine may survive if an experiment conducted by the Canadian Wildlife Service succeeds.

The peregrine falcon lives mainly on other birds, which it can overtake and kill in flight with ease. In a dive in pursuit of its prey, it has been timed at speeds of up to 200 miles an hour.

The "Sun Life falcon"

The most famous of such birds was the "Sun Life falcon", a female which appeared as a yearling in 1937 outside the twentieth floor of the Montreal headquarters of the Sun Life building. An aggressive bird who disliked any invasion of her family life, she remained for 16 breeding seasons, had three successive mates, and reared 21 young. Her readily-observable nest site resulted in a host of admirers, considerable newspaper coverage, and a breeding record which, for a single falcon, remains unmatched in the annals of bird study.

Small increase in population

Canada's population passed 23 million on April 1, according to estimates by Statistics Canada. The actual figure was 23,063,000 from 22,737,000 for the same date a year earlier. From April 1975 to April 1976, population increased by 326,000 or 1.43 per cent, a smaller increase than the 1.58 per cent recorded from April 1974 to April 1975. The lower rate of increase is partly attributable to lower levels of immigration.



Old military method aids farmers

A device once used for military spying may soon be playing a new role in agricultural defence.

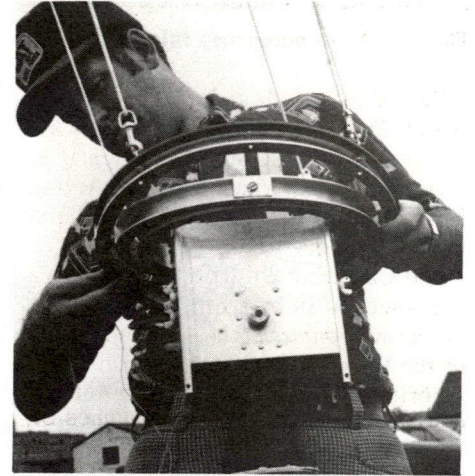
Agriculture Canada researchers in Ottawa have been testing a helium-filled balloon for aerial surveys to spot crop diseases and insect attacks. The unmanned balloon is tethered to the ground and carries a radio-controlled camera.

Dr. Alex Mack, a scientist at the Soil Research Institute, lists economy as one advantage over aerial photography using aircraft or helicopters. This is particularly important where repetitive photography is needed for studying crop development, spread of crop damage or animal behaviour.

The test balloon, made from two mil polyurethane, is about 30 feet long and weighs only 4 pounds. It exerts an upward pull of about 60 pounds when filled with helium gas at a cost of about \$125.

Once it lifts the remotely-controlled camera aloft — from 500 to 16,000 feet

A technician makes final adjustments (top right) to a gimbal-mounted camera before it is hauled aloft by a balloon during aerial survey tests at the Central Experimental Farm in Ottawa. The line holding the balloon is carried around test plots (left) while the remotely-controlled 70-mm camera is set in action. A photograph of the test plots taken from an altitude of 250 feet is shown below.

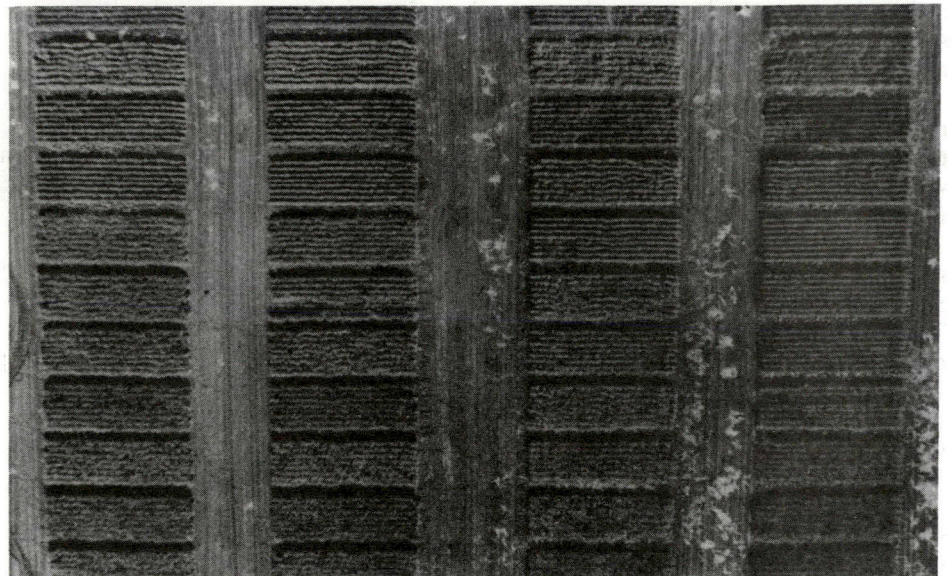


— there's little additional cost involved in leaving it airborne," Dr. Mack says.

Initial cost of a large test balloon is about \$2,500, but the researcher says a smaller balloon at about half the cost would be suitable for most agricultural purposes. Smaller balloons would be easier to move from field to field and cheaper to keep inflated throughout the summer. The 70-mm Hasselblad camera and other instruments are mounted on a gimbal and slung beneath the balloon.

The balloon can be left in the desired location, tethered to the ground, until weather and crop conditions are right. Aircraft-mounted aerial survey equipment is expensive to hold on standby during cloudy or hazy conditions.

"We leave the balloon where we want it until the weather clears. Then we switch on the radio-controlled camera to start photographing the survey area," says Dr. Mack.



Second World War air crash – RCAF remains found

Defence Minister James Richardson has confirmed that the bodies of three airmen found near the site of a crash of a Second World War aircraft in northern Sweden are those of former members of the Royal Canadian Air Force.

Mr. Richardson said the men had been identified as Flying Officer William H. Bowler, of Kettleby, Ontario, Flight Sergeant John P. Campbell of Vancouver, and Flight Sergeant James S. Jewett of Montreal.

The Department of Veterans Affairs confirmed that the widow of F/O Bowler had been located in England, and that efforts were being made to locate next-of-kin of the other two.

The plane hit a mountain peak in Sweden on the night of September 4, 1942.

The men were members of a *Hampden* torpedo-bomber crew from the Royal Air Force's 144 Squadron, based at Leuchars, Scotland. Their mission was to fly from Scotland's Shetland Islands to the U.S.S.R. to provide aerial cover for allied shipping convoys travelling to and from Murmansk.

According to the evidence at the time by two survivors, both members of the Royal Air Force, one engine on the aircraft failed. Suspecting icing problems, the pilot dropped to 5,500 feet, and the plane struck the mountain.

Team Canada does well in pre Canada Cup tourney

Canada's national team defeated the Czechoslovakian team 7 to 4 in their third exhibition game at the Montreal Forum, August 30, three days before the start of the Canada Cup ice hockey tournament. Team Canada had beaten the United States team by a total of 17 to 6 over two previous games.

Six national teams are entered in the Canada Cup – Finland, Sweden, the U.S., the U.S.S.R., Czechoslovakia and Canada – scheduled to play 15 games from September 2 to 11. Best-of-three finals will be played September 13, 15 and 17 (if necessary). The games are being played in Ottawa, Toronto, Montreal, Philadelphia, Winnipeg and Quebec City.

The three Canadians were killed instantly.

Current whereabouts of the two survivors is not known, but they were identified as former Pilot Officer David Evans, and former Corporal B.J. Sowerby.

The location of the crash and identification of the three Canadian flyers brings to a close a search that has puzzled authorities for the past 34 years.

Because the Canadian airmen had no known graves, their names are commemorated on the Commonwealth aircrew memorial at Runnymede, England.

Investigation into the crash at the time indicates that the two RAF survivors of the crash were thrown clear and that it was through their evidence the death of the others came to light.

Reports say it took Evans and Sowerby four days to walk to the nearest Swedish village of Kvikkjok, where they were given assistance.

In later discussions with British Embassy staff in Stockholm, Pilot Officer Evans reported that in the darkness after the crash he and Sowerby were unable to find the bodies of the three Canadians. He also added there was little likelihood of anyone finding the burned-out wreckage of the aircraft, high atop a rock-strewn mountainside.

Stamps honour Iroquoian Indians

Postmaster General Bryce Mackasey has announced the issue, on September 17, of four 10-cent stamps featuring the Iroquoian Indians. These are the last in a series on Canadian Indian culture depicting artifacts, way of life,



dress, and symbolism.

The "artifacts" stamp includes photographs by Ray Webber of a corn-husk mask, a turtle-shell rattle, a false face mask, an earthenware vessel, and a ball club, which were provided by the Royal Ontario Museum and the



National Museums of Canada.

The "way-of-life" stamp is from a painting of an Iroquoian encampment by George Heriot. The "dress-and-symbolism" stamps depict a ceremonial costume from a drawing by Lewis



Parker, and an Iroquoian thunderbird interpreted by Georges Beaupré.

The Iroquoians

The Iroquois, or Six Nation Indians as they are known today, developed a highly organized political and social system. They comprise the Mohawk, Cayuga, Seneca, Oneida, Onondaga, and Tuscarora tribes living in southern Ontario, Quebec, and New York State; yet a general classification, the Iroquoians, includes the Huron, Erie, Neutral, Conestoga, and Tobacco Indians.

Because the Iroquoians depended on farming for their staple foods, they established permanent homes and villages surrounded by stockades within which they built their famous "long houses". The men's forages from the village to hunt large game for their hides occurred only when absolutely necessary, as the women, who did the farming, carried the greatest responsibility for providing for the families. The basis of the society was a matriarchy.

Significance of wampum

Iroquoian political life gained a complex structure with the arrival of a Huron prophet named Deganawidah and his Mohawk translator, Hiawatha, in the 1400s. Hiawatha introduced "wampum" (beads made from shells strung together) to the Iroquoians at the time of the founding of the five nations or Iroquois confederacy. (The Tuscarora joined in 1724 to make the sixth nation.) Wampum became sacred and a symbol to bind people together in peace. The message given on a wampum belt or string was never challenged when used as a symbol of friendship or given in a treaty.

Great Law

When the "Great Law" was given to the Iroquoians by Deganawidah and a

constitution devised to prevent any misinterpretation of the political structure, it was recorded on wampum and this collection became the most important record in the history of the Iroquois confederacy.

The Great Law goes into detail about all the affairs of the Iroquoian people. Some of the most interesting points are given in symbols. For example, one very important broad, dark belt of wampum known as the Hiawatha belt, was the symbol of unity and peace within the five nations. The belt incorporated a white beaded heart in the centre with two white squares on either side, joined by rows of white beads. The white heart stood for the Onondaga Nation and also the great peace shared by all five nations.

When Deganawidah presented the

Great Law to the Iroquoian people, he requested that all 50 chiefs stand in a circle and join hands while he ordained that all should remain equal in rank and title. So that no individual would forget his title or position within the confederacy, certain men were appointed to learn the Great Law as recorded on the wampum.

Thereafter, every law passed by the Iroquois confederacy was recorded by a certain string or belt of wampum. Because of the introduction of wampum, the laws of the Iroquoians were seldom challenged, and they became one of the strongest Indian nations in North America.

Although many of the wampum belts are lost or have been destroyed, there are still elders who can recite the Great Law from memory.

News briefs

- The Canadian Labour Congress has set October 14 as the date for a day of protest against wage controls, calling for a day-long work stoppage, mass rallies and parades. Not all CLC affiliates are supporting the protest, among them the Public Service Alliance of Canada, the Brotherhood of Railway Carmen of the U.S. and Canada, and the Ontario Teachers' Federation.
- Premier William Davis and Industry Minister Claude Bennett of Ontario are going to Europe next month in an attempt to obtain foreign industrial investment for the province.
- George Ignatieff, former disarmament negotiator and ambassador to the United Nations, received the World Federalists' peace award at the end of August. Other Canadians who have received the award are former Prime Minister Lester B. Pearson and Paul Gerin-Lajoie, President of the Canadian International Development Agency.
- Canadian manufacturers produced 5,056,327 phonograph records in June, an increase from the 4,429,284 produced in June 1975. Production of pre-recorded tapes increased to 1,145,696 from 849,928.
- Wage settlements in the second quarter produced an average annual increase of 11.5 per cent in base rates over the life of the contract, the lowest rate since the end of 1973, according to the federal Department of Labour. The second-quarter rate was well below

the 14.5 per cent recorded in the first quarter, the record of 18.7 per cent in the second quarter of 1975 and the average rate of 16.9 per cent for the whole of 1975.

■ Air Canada plans to eliminate all first class seats on its 52 short-to-medium range Douglas DC-9 aircraft and to reduce the number of first class seats on its Boeing 747 jumbo jets and Lockheed *Tristars*, according to President Claude Taylor. With the changes, the seating capacity in the Boeing 747 will rise from 365 to 431 and that of the *Tristars* from 257 to 284. The purpose is to increase the productivity of the planes to counter the severe costs that all airlines are facing.

■ An eighteenth century recruitment poster, a nineteenth advertisement for *eau de cologne*, as well as works by Jules Chéret, Alphonse Mucha and Henri de Toulouse-Lautrec will be part of an exhibition called "Three Centuries of French Posters", at the Montreal Museum of Fine Arts, September 17 to October 17.

■ Radio Canada International, the short-wave voice of Canada, is broadcast in 11 languages, 150 hours a week, reaching countries in all main regions of the world. In English and French it is heard in the U.S., the Caribbean, Africa, New Zealand, Australia and Southeast Asia, as well as in Western Europe. In Russian, Slovak, Czech, Ukrainian, Hungarian and Polish it reaches Eastern Europe and the Soviet Union. It also broadcasts in German, Portuguese and Spanish.

Canada Weekly is published by the Information Services Division, Department of External Affairs, Ottawa, K1A 0G2.

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Cette publication existe également en français sous le titre Hebdo Canada.

Algunos números de esta publicación aparecen también en español bajo el título Noticiario de Canadá.

Ähnliche Ausgaben dieses Informationsblatts erscheinen auch in deutscher Sprache unter dem Titel Profil Kanada.