



CANADA

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### A PATTERN FOR ECONOMIC CO-OPERATION BETWEEN NATIONS

The following is the text of a communique issued at the conclusion in Tokyo of the first meeting of the Canada-Japan Ministerial Committee:

"The first meeting of the Canada-Japan Ministerial Committee was held at the Ministry of Foreign Affairs, Tokyo, on January 11 and 12, 1963.

"Canada was represented at the meeting by the Hon. Donald M. Fleming, Minister of Justice and Attorney-General, the Hon. J. Angus MacLean, Minister of Fisheries, Mr. David Sim, Deputy Minister of National Revenue, Mr. N.A. Robertson, Under-Secretary of State for External Affairs, Mr. J.A. Roberts, Deputy Minister of Trade and Commerce, and Mr. W.F. Bull, Canadian Ambassador to Japan. Japan was represented by the Hon. Masayoshi Ohira, Minister for Foreign Affairs, the Hon. Kakuei Tanaka, Minister of Finance, the Hon. Seishi Shigemasa, Minister for Agriculture and Forestry, the Hon. Hajime Fukuda, Minister for International Trade and Industry, the Hon. Kiichi Miyazawa, Minister of State and Director-General of the Economic Planning Agency, and Mr. Nobuhiko Ushiba, the Japanese Ambassador to Canada.

"The Committee discussed the whole range of the trade and economic relations between Canada and Japan, as well as their trade and economic relations with the rest of the world.

#### REVIEW OF TWO ECONOMIES

"The Canadian Ministers outlined the growth which has taken place in the Canadian economy. They explained that the rapidly-growing labour force in Canada must largely find employment opportunities

in secondary industry. The Japanese Ministers reviewed the significant achievements in the development of the Japanese economy and stressed the importance to Japan of expanded foreign trade. The Committee examined the balance-of-payments problems of both countries and noted the progress that was being made towards their solution.

"There was an exchange of views about the trade relations between the two countries. The Ministers of the two countries reviewed the growth of trade between Canada and Japan. The Committee agreed that there existed good opportunities for further expansion of trade between Canada and Japan. In the course of the discussion, the annual consultations for Japan's export restraints were reviewed at some length. The Committee agreed on the desirability of concluding the consultations as quickly as possible.

"The Committee did not enter into the details of the current consultations for 1963, but it had a full exchange of views on the fundamental principles governing such consultations. The Committee believed that such frank exchange of views would make a significant contribution to increased understanding between the two countries of their mutual trade relations.

#### JAPANESE EXPORTS TO CANADA

"The Japanese Ministers re-affirmed the principle of orderly marketing of Japanese exports to Canada of products competitive with Canadian production in order to avoid injury to Canadian industries. At the same time, they emphasized the Japanese desire to see gradual expansion of exports of

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commodities subject to voluntary restriction and removal of such restraints as soon as the Canadian situation permits. The Committee reviewed recent progress made in the liberalization of imports into Japan. The Canadian Ministers asked that, as further progress became possible, Japan should keep in mind Canada's interest in certain products. The Canadian Ministers urged that quantitative restrictions should not be replaced by tariff increases or other restrictive devices.

"The Committee took note of the assurances of the Canadian Government that the Canadian temporary import surcharges would be eliminated as quickly as Canada's balance-of-payments position permits.

"The Committee examined recent developments in international economic relations. The Committee took special note of the joint initiative taken by the Prime Minister of Canada and the President of the U.S.A. in calling for a meeting of ministers to set in train a broad programme for the liberalization and expansion of trade. The Committee welcomed the fact that this meeting would take place under the auspices of GATT in the early part of 1963. The Committee stressed the importance of achieving the broadest participation in the tariff negotiations which would follow the meeting of ministers and emphasized that such negotiations must be based upon the unconditional 'most-favoured-nation' principle. The Committee recognized the need to make progress in all sectors of trade.

#### AID TO DEVELOPING COUNTRIES

"The Ministers reviewed the efforts being made by Canada and Japan to assist economic progress in the developing countries and noted that both countries were co-operating in this field in various international bodies. They recognized that the economic progress of the developing countries required not only financial assistance but also expanding export opportunities for their products. The Committee noted that this would be a major objective of the forthcoming UN Conference on Trade and Development. They agreed that Canada and Japan should work closely together in the preparatory committee in order to ensure the achievement of meaningful and constructive results.

"The Canadian delegation expressed the strong support of the Canadian Government for increased participation by Japan in the Organization for Economic Co-operation and Development (OECD) and full Japanese membership therein.

#### DISCUSSION OF FISHERIES

"The Committee discussed a number of fisheries matters. There was an exchange of information and views on the present conditions of the respective domestic fishing industries, as well as on the international aspect of fisheries. The importance of fisheries for the economies of the two countries and the significance of international co-operation for the sound promotion of fisheries were emphasized.

"It was agreed that negotiations be initiated between the two Governments for the conclusion of an agreement for the avoidance of double taxation in view of the need for further strengthening of economic relations between the two countries.

"The Ministers of the two countries were unanimously agreed that the Canada-Japan Ministerial Committee, which was established by Prime Minister Ikeda and Prime Minister Diefenbaker in June 1961, was of great value for the development of better mutual understanding between the two countries. Accordingly, this highly successful first meeting was of historic importance.

"The Committee accepted the invitation of the Canadian Government to hold its next meeting in Ottawa."

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#### LOBSTERS IN THE LIMELIGHT

Science is taking a new look at the luxury creature known as the lobster, which brings millions of dollars to Canadian Atlantic-coast fishermen each year. This time the technologists are concentrating their efforts on unravelling the mysteries of the creature's chemistry.

A report on the physiological approach to the lobster, with its armor-like shell, was given recently at the annual meeting of the Fisheries Research Board of Canada in Ottawa. The technological study is being carried out by a scientific team at the Board's research station in Halifax.

Tanks have been installed capable of holding hundreds of lobsters. A pipeline runs from the station to the bottom of Halifax harbour to provide a continuous fresh supply of sea water to keep the lobsters alive.

#### MOULTING STUDIES

There are many things the scientists hope to find. They are interested in the lobster's moulting process. Each time a lobster sheds its shell, its growth and weight increase substantially. Would there be a way to increase the number of moults? That answer in itself would be a big step forward in lobster research.

An important aspect of the whole programme, of course, is the lobster's medical history. Normally, lobsters are healthy creatures. However, like all living things, they are sometimes affected by disease. That is why the technologists want to know more about the lobster's body chemistry.

Last summer there were deaths among the lobsters stored in certain tidal pounds. Halifax scientists moved in to find out the cause. Samplings were made of lobsters from districts where the casualties occurred and all indications were that the creatures had been infected with a specific bacterium while still in the sea. With the source of trouble reasonably well identified, scientists were able to suggest measures to correct the situation.



## CANADA TO BUILD MORE SATELLITES

Canada's Defence Research Board has received Cabinet approval to conduct scientific discussions with the National Aeronautics and Space Administration of the United States, with the object of developing a further programme of ionospheric research - an extension of the successful joint DRB/NASA Topside Sounder project that orbited the "Alouette" satellite.

The success of "Alouette" has demonstrated Canada's capability in satellite design and construction, and the scientific data now being received at ground stations are emphasizing the need for continued studies of the ionosphere's characteristics.

In general terms, the Board's programme now envisages the design and construction of four satellites in Canada over a four-year period. The first launching proposed will take place late in 1964 or early the following year, to coincide with the end of the Quiet Sun Year and with the beginning of increasing sunspot activity.

Preliminary scientific discussions will shortly be held by DRB and NASA scientists. It is hoped that specifications will be developed for presentation to Canadian industry as soon as possible.

A new research objective of the Board's proposal is to determine the characteristics of the ionosphere at a very wide range of altitudes, varying from 250 to several thousand miles. Under the "Alouette" programme, scientific data are being received for seasonal variations for about a year's period only. The monitor satellites, which will be based on the "Alouette" design, will be modified to provide scientific information over a four-year period (or about half of the 11-year sunspot cycle). Another aim of the programme will be to provide a means of transferring the skills developed by DRB personnel in the satellite field to Canadian industry.

It is proposed that NASA provide launching facilities like those made available during the "Alouette" project. The existing 12 worldwide telemetry stations, including three in Canada, will be employed for the collection of the new data.

While the main technical effort will be provided by Canadian industry, the Board will retain supervising and directing responsibility for the programme. Canada's share of the cost is estimated at \$8 million, to be spread over the next four-year period.

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## CONSUMER PRICE INDEX

The consumer price index was unchanged at 131.9 between November and December 1962. The December index was 1.6 per cent above the index of 129.8 a year ago. For the year 1962, the index averaged 130.7, 1.2 per cent above the 1961 annual index of 129.2. In the current period, fractional increases in the food and housing indexes balanced declines in the clothing and transportation indexes. The three remaining component indexes were unchanged.

The food index increased 0.1 per cent from 127.7 to 127.8, with higher prices for bread and most cereals, sugar, apples and most fresh vegetables, particularly tomatoes. Beef and pork prices receded further from their October peaks. Prices were also lower for eggs, citrus fruits, bananas and orange juice.

The housing index rose 0.1 per cent from 135.6 to 135.7 as both the shelter and household-operation components registered upward movement. In shelter, the rent index was unchanged, but the home-ownership index was higher. In household operation, higher prices for furniture, textiles, utensils and equipment outweighed lower prices for floor coverings.

The clothing index declined 0.2 per cent from 116.0 to 115.8. Lower prices for women's and children's wear, particularly winter cloth coats, offset increases for men's wear, footwear, piece goods and clothing services, including laundry, dry cleaning and shoe repairs.

The transportation index declined 0.3 per cent from 140.6 to 140.2 as a result of further price declines for gasoline. These latest decreases brought

the price of gasoline to its lowest level since 1949. Some price increases occurred for automobile tires.

The health-and-personal-care, recreation-and-reading, and tobacco-and-alcohol indexes all remained at their November levels of 159.8, 148.2 and 117.8, respectively.

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## ARMY SERVICE BATTALION

An Experimental Brigade Service Battalion is to be formed in the Canadian Army.

During 1963 the Army will test a new conception of supply, which has been under trial the past few years at Camp Wainwright, Alberta, and in 1962 at Camp Gagetown, New Brunswick. It is designed to provide more efficient support and greater flexibility to fighting units in the widely-dispersed and mobile battlefield envisaged in nuclear war.

In order to continue these trials and to carry out more comprehensive tests, the Experimental Brigade Service Battalion will function for at least one year. It will be formed at Camp Gagetown from service units now in the camp, and will not require additional equipment.

The purpose of the new unit will be to handle all supply, repair, administrative and medical evacuation functions. It will be adaptable to the divisional organization and be compatible for working with allied armies.

After the year's trials, it will be decided how much further the new organization will be extended.



### NEW FITNESS GRANTS

Grants totalling \$308,337 under the Fitness and Amateur Sport Act have been announced by Mr. J. Waldo Monteith, the Minister of National Health and Welfare. They were recommended by the National Advisory Council on Fitness and Amateur Sport for national sports governing bodies, national associations and special projects.

A total of \$189,504 for expenditure during the current fiscal year included \$30,000 for the Calgary Olympic Development Association, to support its bid to hold the 1968 Winter Olympics at Banff (the second federal grant made to the Association), and \$50,000 to the Canadian Olympic Association, to assist Canada's participation in the 1963 Pan-American Games, which will be held in Brazil in April and May, 1963.

Also announced, subject to Parliamentary approval of the estimates of the Department of National Health and Welfare, were grants totalling \$118,833 for 1963-64. These included \$50,000 to the Canadian Amateur Hockey Association for training courses and a third grant of \$30,000 to the Calgary Olympic Development Association. The Canadian Olympic Association will also receive \$30,000 next year as a second payment covering participation in the Pan-American Games.

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### CHANGING THE UNEF GUARD

The Reconnaissance Squadron, Lord Strathcona's Horse (Royal Canadians) will leave for the Middle East on February 4 for a one-year tour of duty with the United Nations Emergency Force. This will be the second tour of duty in Egypt for the 120-man unit, which returned from the Middle East last year.

The Strathconas will relieve the Reconnaissance Squadron of the Royal Canadian Dragoons, now patrolling the international frontier between Egypt and Israel. The RCDs will return to their home station at Camp Gagetown, New Brunswick, on February 8. It is just a year since the RCDs relieved the Strathconas on the frontier patrol.

The "Recce" Squadron, Lord Strathcona's Horse (RC) will be airlifted from Calgary, Alberta, to Beirut, Lebanon, by Royal Canadian Air Force "Yukon" transport. Only one flight will be necessary to move the 97-man main body, with 150 pounds of baggage for each man. A small advance party is already in the Middle East.

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### STRENGTHEN CANADA-KOREA TIES

The Secretary of State for External Affairs, Mr. Howard Green, announced on January 14 that the Governments of Canada and the Republic of Korea had agreed to establish formal diplomatic relations in order to strengthen the friendly ties between the two countries. His Excellency Soo Young Lee, who is concurrently the Republic of Korea's Permanent Observer to the United Nations, will be the first Korean Ambassador to Canada.

### ANTI-ROLL DEVICE FOR SHIPS

Successful sea tests were recently completed by the Department of Transport on a stabilization system designed to reduce the rolling of ships in rough seas. The tests were carried out in the Atlantic near Halifax aboard the coast-guard icebreaking buoy vessel "Sir William Alexander", as part of a continuing study of the benefits to be gained by use of such a system.

The stabilization device, known as the Flume System, was developed in the United States and has already been used with success aboard some U.S. vessels. The design has been incorporated into the plans for a new weathership, an icebreaking cable-repair ship and a triple-screw icebreaker, which are in various stages of planning or construction for the Canadian Coast Guard.

### OPERATION

The system comprises a series of tanks built into a ship and partially filled with water, oil or other suitable fluid. When the ship rolls to one side, the liquid begins to run to the low end of the system. The flow is controlled, however, so that, by the time a great weight of fluid has collected in that end, the ship is already rolling back toward the other side. The weight of the fluid dampens the rolling effect.

CCGS "Sir William Alexander" was the first Canadian ship to have the Flume System installed. The stabilization tanks involved the use of 76 tons of fresh water and the unit was located in the forward hold.

The Coast Guard has 10 heavy icebreakers, which may be engaged from time to time in lighthouse-supply and buoy-tending work, and eight smaller icebreaking lighthouse-supply vessels, the latter used principally for such duties. Buoy tending presents a special problem to an icebreaker, because such a ship is designed with the round bottom necessary for dealing with thick ice, which causes it to roll much more heavily than an ordinary vessel. The rolling movement causes great difficulty when buoys are being picked up in heavy weather. A buoy may weigh up to 20 tons, and becomes dangerous to handle when the rolling of the ship causes it to swing on the end of a derrick boom. A buoy-tending ship with an effective anti-rolling device would be able to continue its work under conditions that would force any other ship to give up the task.

### HOUSEHOLDS BY SIZE

There were 4,554,736 households in Canada in 1961, according to the first of a series of 1961 Census reports on households recently released by the Dominion Bureau of Statistics. This was an increase of 631,090, or 16 per cent, since 1956, and a rise of 1,145,452, or 33 per cent, since 1951. While the average number of persons to a household remained unchanged at 3.9 since 1956, it was down 0.1 from the average of 4.0 persons in 1951. Although the change in the average in the ten-year period has been slight, more pronounced changes have occurred in the distribution of persons to a household.