



CANADA

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CANADA AND THE EUROPEAN COMMON MARKET

The following is a partial text of an address by Prime Minister John G. Diefenbaker to the Hamilton Chambers of Commerce on December 7:

"Another subject on which I should like to talk to you tonight is the European Common Market. As you know, six countries of Europe, namely France, Italy, West Germany, the Netherlands, Belgium and Luxembourg, agreed in 1957 to set up this Common Market. Britain is now negotiating terms of entry with the Six.

"There is no need to emphasize the great complexity of these European developments and their many implications for the rest of the world. There has been a tendency to over-simplify the issues raised, perhaps in an effort to find simple ready-made solutions. Misunderstanding has often been the result - misunderstanding of some of the problems concerned and misunderstanding of the Canadian Government's position. I should like to explain to you the main issues as we see them.

REVIEW OF THE MAIN ISSUES

"Let us first look at the Common Market. The Six have strong political reasons to unite. They wished to bring France and Germany closer together. They realized that working together they could play a more effective role in world affairs. They also hope that their Community will lead to expanded trade and a faster rate of economic growth.

"So far, their expectations have been largely realized: they have achieved a high level of prosperity and within a few years they will have formed a vast area of free trade with common institutions,

where labour and capital will also move freely. They already have a leading position in world trade. Together they account for more than a quarter of total world trade.

"In Canada we understand the political motivation that has created the Common Market. On the other hand, we consider that its prosperity should not be realized at the expense of outside countries. We have made very clear to the Six that a highly protective tariff on such commodities as aluminum, wood pulp, newsprint, lead and zinc would be harmful to our trade.

"We have made it equally clear that a protectionist common agricultural policy would have severe effects on our agricultural exports to the Common Market and be a source of grave concern.

"In the tariff negotiations now taking place in Geneva under GATT we are making every effort to secure reasonable access to the Common Market. The Six understand our position and the scope of the interests we have at stake. Our policy is to protect these interests.

BRITAIN AND THE MARKET

"I turn now to the negotiations between Britain and the Common Market. Britain is at the centre of a world-wide trading system in which the production facilities of many Commonwealth countries have been created to supply the British market. The adoption of the Common Tariff of the Six by Britain and of a protectionist agricultural policy, without arrangements designed to protect Commonwealth interests, could

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not fail to destroy important and beneficial features of this system.

"What would be our own position?"

"Our agricultural and fisheries products, instead of entering the British market duty free or with a preference as they now do, would have to enter what might be a highly protected market. These agricultural and fisheries exports to Britain were valued at \$300 million last year, or 33 per cent of our total exports of \$915 million.

"Many of our raw materials which now enter the British market duty free would face a tariff. For instance, the present common tariff for aluminum is 10 per cent, for woodpulp 6 per cent, and 7 per cent for newsprint. Our total raw materials exports to Britain in 1960 were valued at \$510 million.

LOSSES TO CANADIAN MANUFACTURERS

"With respect to our manufactured and semi-manufactured exports, which accounted for \$105 million last year, we would not only lose our preferential access to the British market *vis-a-vis* the Six, but reverse preferences would be created in their favour. In other words, while their exports to Britain now face a higher tariff than the one we enjoy, they would be entering the British market duty free while we should have to face a higher tariff than now.

"I shall not attempt to give you a complete and detailed description of the effects on our trade which we could expect from British membership in the Common Market. I emphasize, however, that all sectors of our trade would be affected in one way or another. This is a serious prospect. This trade amounts to 17 per cent of our total exports. It contributes substantially to prosperity and jobs in this country. These developments are important for Canada. We also recognize that they present important and difficult problems for Britain.

"The British decision to initiate negotiations with the Six has not been an easy one to make. It was made after very serious consideration. They felt that Britain could not remain aloof, that Britain should share in Europe's growing prosperity and that Britain should be a partner in shaping the political future of Europe. In his statement at the opening of the negotiations with the Six, the responsible British Minister, Mr. Heath, said that this development 'will affect profoundly the way of life, the political thought and even the character of each one of our peoples'.

"Last summer the British Government asked for our views. We gave our views because we wanted to ensure that Britain would have the fullest information on the implications for Canada and the rest of the Commonwealth. We never questioned Britain's right to make its own decision.

EFFORT TO PROTECT COMMONWEALTH INTERESTS

"The British Government is now making every effort to protect Commonwealth interests in its negotiations with the Six. For our part, we intend to continue to let the British Government know how our interests might be affected by developments in the negotiations now taking place in Brussels. Only in this way can Britain at all times remain fully aware of all the factors which have to be taken into account in providing accommodation for Commonwealth interests.

"Difficult negotiations lie ahead. It will not be easy to protect Canadian and Commonwealth interests.

"This is true even with the opportunities for expanding trade which will be created by high levels of prosperity in Europe. We are not attempting to turn the clock back on the great developments in the pattern of world forces resulting from European integration. But these benefits will be ours only if the policies of the Common Market are conducive to greater trade.

"Few countries have at stake such diversified interests as Canada. The decisions to be made in the months to come are of importance to all - to those who are helping to develop the natural resources of Canada, and to those who are building and manufacturing strength of this country. There is no easy solution that will satisfy all our diversified interests.

"Some people claim that the solution to our problem could be found if Canada were to become a member or an associate member of the Common Market. These people fail to realize that under the terms of the Common Market treaty, membership is limited to European countries.

"What about associate membership?"

"The former dependent overseas territories of Common Market countries are at the present time associated with the Six under special arrangements designed to fit the needs of former colonial possessions in the early stages of development. Clearly, this solution is not applicable to Canada.

"Greece is the only country which has negotiated a special agreement with the Common Market, under Article 238 of the Rome Treaty -- that is, the Article providing for association. Greece is not only a European country, but it is in the course of development, and it has particular ties with Common Market members.

CANADA NOT ELIGIBLE FOR ASSOCIATE MEMBERSHIP

"It is most unlikely that Canada would be welcome as an associate member in the Common Market. We must be realistic about this. Some of the Six themselves are important agricultural producers. Can we expect them to welcome a country such as Canada with large agricultural production needing access to markets abroad? There is therefore no proof that associate status offers an answer to Canada's problem.

"The Government is giving careful attention at this time to all the possible courses of action. We are not rejecting any possible approach although we must of course make a careful assessment of which ones would or would not be practicable. We shall take any constructive action required to serve Canada's interests.

"All the important trading countries of the world, including Canada, at a meeting in Geneva last week, agreed to explore new techniques for reducing trade barriers. The Canadian Government will take an active part in these continuing discussions.

"I welcome the growing evidence that the United States Government is accepting the heavy responsibilities which arise from its leading position among the nations of the world.

"Our growth in the future as in the past will depend to a great extent on international trade. Canadians should weigh carefully the effects the Brussels negotiations could have on their own interests. I am confident that the examination by Canadian business of the complex issues with which Canada is faced

CANADA COUNCIL MUSIC GRANTS

Dr. Carl Orff, eminent German composer and teacher, will visit Canada next summer as a result of a Canada Council grant. Dr. Orff will act as chairman of a conference and training course on elementary music education to be held at the University of Toronto. A Council grant of \$3,050 was approved to help the Royal Conservatory of Music sponsor the conference, which will be attended by music teachers from many parts of Canada. Instruction will be given in the system of music instruction developed by Dr. Orff in Germany and now used with great success in some Canadian schools.

A supplementary grant of \$5,000 was also authorized for the National Youth Orchestra to help underwrite the costs of the winter session to be held in Montreal at the end of December. Young musicians from many parts of the country will attend to study with conductors Wilfrid Pelletier and Victor Feldbrill and leading instrumentalists. The most recent subvention brings to \$15,000 the total Council support to the orchestra during the current season.

The Baroque Trio of Montreal will give a series of concerts in Central and Eastern Canada and the United States, with the help of a \$3,400 grant from the Council. The trio has toured annually since 1959 with Council assistance.

Four Canadian choral groups will receive Council assistance during the coming season. Grants of \$1,500 each were authorized for the Bach Elgar Choir of Hamilton, the Festival Singers of Toronto, the Toronto Mendelssohn Choir and the Ottawa Choral Society. Since 1958, the Canada Council has helped well-established choirs to improve and expand their orchestral accompaniment, engage better soloists and perform new or rarely heard works. Grants have been restricted to those organizations receiving substantial community support and drawing their audiences from cities with a population of more than 100,000.

A grant of \$500 will enable Vancouver organist Hugh J. McLean to commission a work for organ, brass quintet, and timpani from the composer, Robert Turner. The work will be first performed by Mr. McLean at the biennial National Convention of the American Guild of Organists at which he has been invited to play in July 1962.

Four volumes of early Canadian folk music will be published with the help of a \$2,500 grant to the Canadian Folk Music Society, on the preparation of the manuscripts. The proposed books will cover folk songs from Acadia, French Canada, and the songs and music of the Salish and Iroquois Indians.

ENVOY TO MALAYA

The appointment has been announced of Mr. Charles Eustache McGaughey as High Commissioner for Canada to Malaya, with simultaneous accreditation as Ambassador to Burma and Thailand.

Mr. McGaughey was born in November 1917 at North Bay, Ontario. He graduated from Queen's University in 1939, receiving a M.A. degree in

Political Science. In 1941 he interrupted his post-graduate studies at the University of Chicago to enlist in the Canadian Army. While with the Armed Forces he attended the Canadian Army Japanese Language School in Vancouver, and later served with the British Army in India, Malaya and Thailand. On his discharge as captain in 1947, he joined the Department of External Affairs.

As a member of the Department, Mr. McGaughey has served abroad in Chicago, Tokyo, New Delhi, and Wellington, New Zealand where he was Acting High Commissioner from May 1957 until March 1958.

NEW STAMPS FOR 1962

The subjects of seven new postage stamps to be issued in 1962 were announced recently by Postmaster General William Hamilton. Three new regular-issue stamps are included in the programme.

The four commemorative and special issues will all be of the five-cent denomination. The first will emphasize the roll of education and its importance to the individual and to the nation. Provincial education authorities have designated 1962 as "Education Year".

The hundred and fiftieth anniversary of the founding of the Red River Settlement in 1812 by Lord Selkirk on the site of present-day Winnipeg will focus attention on the opening and development of the western plains.

An issue in the series of stamps honouring explorers and founders will be dedicated to Jean Talon, first Intendant of New France.

Another issue in the Provincial Capital Series will mark the centenary of Victoria, the capital of British Columbia. Two previous stamps in this series were the 1949 issue for the two hundredth anniversary of the founding of Halifax and the 1958 issue marking the three hundred and fiftieth anniversary of Quebec.

A new one-dollar, regular-issue design will appear during 1962, the subject of which will be Canada as a great international trading nation. Finally, two of the new series in the one to five cent denominations portraying Queen Elizabeth II will be distributed during the year.

ESKIMO DOLLS

Since March of this year, Eskimos from Port Harrison, Quebec, and outlying camps have been bringing exquisite dolls to Rod Evans, administrator for the Department of Northern Affairs. Like the famous Eskimo carvings, many of the little figures depict familiar activities - the hunter, the fisherman, the mother with her child. One family group is seated on a toboggan of woven straw.

About 90 Port Harrison dolls have so far been brought south by plane. They were first displayed to the public with hand work from 16 other countries at the Annual Festival of Nations held by the Canadian Save the Children Fund in Toronto in October. Tremendous interest was aroused by the Canadian

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Eskimo product. The following month, the dolls were included in three displays of toys produced by Canadian manufacturers.

SALE OF DOLLS

The dolls are offered for sale to the public by the Canadian Handicrafts Guild in Montreal and Toronto. Completely hand-made, they range in price from \$15 to \$50 and are likely to become collectors items. The authentic Port Harrison figures carry a guarantee tag authorized by the Department of Northern Affairs, stating the name of the Eskimo women who made the figure and clothing.

The production of Eskimo dolls is not confined to Port Harrison, but the figures made there are the first dolls produced as tableaux. Port Harrison, with a population of about 100 Eskimos and 34 whites, is located on the east shore of Hudson Bay. About 250 Eskimos live in six camps in the outlying coastal areas.

ENVOY TO OSLO AND REYKJAVIK

The Secretary of State for External Affairs, Mr. Howard Green, has announced the appointment of Mr. Louis Couillard as Ambassador to Norway and, concurrently, to Iceland.

Mr. Couillard was born in Ottawa in 1914. He received his education at the University of Ottawa and at Queen's University, graduating in 1938 with an honours degree in Commerce.

In 1941 Mr. Couillard joined the Canadian Army and saw service in the United Kingdom and North-western Europe. He received his discharge in 1944 with the rank of captain.

After the war Mr. Couillard entered Government service and was with several Departments. In 1948 he transferred from the Department of Trade and Commerce to the Department of External Affairs and has since served abroad in Geneva, Havana, Paris, London and Washington. He has also attended a number of Commonwealth and other international economic conferences. His most recent appointment was Ambassador to Venezuela.

CANADA COUNCIL MEDAL

The creation of a new award for distinguished work in the arts, humanities or social sciences was announced by the Canada Council following a recent meeting in Calgary, Alberta. The Canada Council Medal was established as an award of the highest possible distinction to Canadians who, over a period of years, shall have made major contributions to the culture development of the country. Nine Canadians were named as the first recipients of the new honour. In addition, a special posthumous award was made to the late Brooke Claxton for his work as the first Chairman of the Canada Council and his contributions in the fields of national and international affairs.

Other winners of the Canada Council Medal have included: Mr. Vincent Massey, former Governor-General of Canada and Chairman of the Royal Commission on National Development in the Arts, Letters and Sciences; Dr. Marius Barbeau, Ethnologist and Folklorist of the National Museum of Canada; Canon Lionel Groulx, Montreal historian; Lawren Harris and A.Y. Jackson, original members of the "Group of Seven"; Wilfrid Pelletier, formerly conductor at the Metropolitan Opera in New York and now Director of Music Teaching for the province of Quebec; E.J. Pratt, well-known Toronto poet; the composer Healy Willan; and the Vancouver novelist Ethel Wilson.

In making the announcement, Dr. Claude Bissell, Chairman of the Canada Council explained: "It is the intention of the Council to make only three or four of these awards in any one year. But, in order to inaugurate this special programme, the Council has decided to give nine medals for the year 1961-1962." The medals will carry with them a cash award of \$2,000.

CANADIAN TRAVEL CONFERENCE

Canada will soon launch a promotional programme in Great Britain and Europe, according to an announcement by the Minister of Northern Affairs and National Resources, Mr. Walter Dinsdale, during the closing session of the Sixteenth Federal-Provincial Tourist Conference, held in Ottawa from November 27 to 29. Reports on the first nine months of 1961, Mr. Dinsdale said, indicated that the year would turn out to be a record one for the Canadian tourist industry. This trade, he added, was now second only to the newsprint industry as a source of national revenue for Canada, having replaced wheat production, which had dropped into third position.

It was pointed out during the three-day meeting that \$7 billion was spent on travel annually throughout the world, chiefly by tourists from North America, the British Isles and Western Europe.

Among the conference's special guests were John Bridges, Director-General of the British Travel Association; Voit Gilmore, Director of the U.S. Travel Service, and William Patterson of Saturday Review, New York.

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will confirm that the Government's stand is reasonable and responsible.

"We shall continue to make every effort to improve opportunities for Canadian trade abroad - our record will show that we have this policy very much at heart. Our vigorous export promotion campaign is opening new markets abroad. Canadian exports have increased by 12 per cent since 1956. We expect others to take reasonable account of our legitimate interests and aspirations. We in our turn shall be prepared to play our part in whatever changes may lie ahead."

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