



CANADA

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CANADA AND VIETNAM

In a speech to Editors of the Foreign Language Press in Toronto on March 26, reviewing the Canadian position on the situation in Vietnam, the Secretary of State for External Affairs, Mr. Paul Martin, noted that, in spite of its very limited mandate, the ICSC had played a restraining role in Vietnam. Canada, he said, had been developing a policy in Southeast Asia on the basis of its own objective assessment made possible by the presence in Vietnam, for nearly 11 years, of a large number of Canadian observers.

Mr. Martin reminded his audience that Canada had never condoned the use of force by either side. Rather, it had tried to take a balanced view of the situation but could not ignore the fact that North Vietnamese support had taken "the form of armed and unarmed personnel, of arms and ammunition, of direction and guidance...." This judgement, he declared, was "fully supported by evidence, including evidence presented by the Commission". Mr. Martin stressed the fact that the war in South Vietnam must be looked at in its broader international context, and that any giving way in the face of Communist aggression might well have serious repercussions in other parts of Asia, and in Africa and Latin America.

He went on:

I have tried to set the situation in Vietnam in this broader context because that is the context in which, I think, recent developments in that country must be seen. Nothing could be more dangerous, in my view, than to oversimplify the problem we are facing. That would be particularly dangerous at a time when all our attention must necessarily be

focused on achieving a solution in Vietnam, because I very much doubt if we can expect an unrealistic assessment of the situation to yield either practicable or durable solutions.

As far as the Canadian Government is concerned, we are deeply concerned about the implications of the present situation for world peace. We appreciate the very grave risks of a widening of the present conflict, which must be avoided at all costs. We are directing all our efforts to that end. We wish to see peace restored in Vietnam — and when I say Vietnam I mean the whole of Vietnam. I believe that is also the course which the overwhelming majority of Canadians would wish to see followed. But I know you will understand me when I say that the peace that is established in Vietnam must be a genuine peace. It must not be a fraudulent peace. It must be a peace which will allow the South Vietnamese to live in conditions they have freely chosen for themselves and which will provide them with adequate guarantees against outside pressure or intervention.

PATIENT PROGRESS TOWARD NEGOTIATION

I do not think the problem in Vietnam is capable of solution by military means. I regard a negotiated solution of that problem at some stage as both right and inevitable. I should earnestly hope that that stage could be reached sooner rather than later, and we shall certainly continue to do what we can to help bring about the conditions that would allow negotiations to be undertaken with a reasonable prospect of achieving a solution. At the same time, we cannot be indifferent to the risks that would be

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involved in a situation in which negotiations were being undertaken without the ground having been properly prepared. That is why we think it better that patient progress should be made towards a negotiation now in the interests of minimizing the risks of failure later.

As a first priority, I should say that there must be a relaxation of tensions in Vietnam. But, if that is to happen, it will require a genuine disposition by all concerned to see this situation settled through the instrument of negotiation. And I am sorry to say that all our soundings have not yet disclosed such a disposition on the part of either North Vietnam or Communist China. Furthermore, within the last week, the Soviet Union has refused categorically to associate itself with any call to a conference to settle this problem on a peaceful basis.

PRESUPPOSITIONS OF A SETTLEMENT

The immediate prospects for a negotiation cannot, therefore, be said to be encouraging. And I do not think it would be profitable, in these circumstances, to try to speculate on the precise elements of such a negotiation. There are three general points, nevertheless, which I believe can usefully be made at this stage:

First, there will have to be a cease-fire of some kind in the area. The North Vietnamese have been calling for the cessation of United States raids on North Vietnamese territory. The United States, for their part, have been insisting on the cessation of infiltration and aggression from North Vietnam. It occurs to me that there may be a possibility of balancing off these positions as part of the process of paving the way for a negotiation.

Second, any negotiation, when it comes about, must be meaningful. In other words, it must be a negotiation, not a capitulation. It must be based on the readiness of all concerned to modify their existing policies, to enter into commitments for the future, and to be prepared to abide by those commitments.

Third, the past history of events in Vietnam and the tragic course these events are taking at present make it abundantly clear, I think, that there must be an assumption of responsibility by the international community in relation to any ultimate settlement in that area. What form that responsibility might take, whether it takes the form of guarantees or whether it takes the form of a continuing international presence, are matters to be settled in the course of negotiation. But I doubt if there can be any durable settlement in Vietnam which will not, in one way or another, involve international backing.

The problem of Vietnam has caused deep anxiety in Canada. It is only natural, therefore, that we should ask ourselves what part there may be for Canada to play in reversing the course of events in that area.

Of course, the ordinary diplomatic channels are available to us. We have used these, and shall continue to use them, vigorously, to urge restraint on all concerned, to see if there is any contribution we can make towards preparing the ground for negotiations and, generally, to probe any openings there may be for useful initiatives. Canada has no direct

interests in Southeast Asia, and I think that may help to enhance the opportunities that are open to us.

CANADA ON INTERNATIONAL COMMISSION

Then there is our membership of the International Commission. I still think that the Commission, by its very presence, exercises a certain restraining influence on developments, though I should not want to put it higher than that. It is also just conceivable that, being composed as it is, the Commission could serve as a channel of contact if that were desired at any stage by any of the parties. Meanwhile, the Commission has a continuing responsibility to draw attention to any violations of the Geneva arrangements. It must carry out that responsibility objectively and impartially. And it must be concerned at all times to assess events in the balance of the total situation in Vietnam. This we have endeavoured to do, and this is the direction in which we shall continue to apply our efforts so long as we think there is a useful part for us to play.

In the final analysis, of course, there may be limits to the influence we can bring to bear on an issue of this kind. These limits are inherent in the status of any middle power in the world today. But they do not in any way diminish our responsibility in a situation which is so pregnant with danger as the situation facing us in Vietnam and which is threatening to set back much of the progress we have made over the past two decades towards arriving at acceptable norms of international conduct and co-operation. It is a source of regret to us that, for the time being at least, there is no clear prospect of the United Nations being able to play the part we would expect it to play in this situation. For the United Nations represents the highest expression of the collective will and the collective interest of the international community as a whole, and the situation in Vietnam is a situation in which the interests of the international community are, and will continue to be, deeply engaged.

RECORD SALES BY POLYMER

Record sales of \$114,291,000 were posted by Polymer Corporation Limited and subsidiary companies last year - the first time that the company's sales have exceeded the \$100-million mark. This was made known recently by Mr. C.M. Drury, the Minister of Industry, in releasing the company's annual report for 1964.

The net profit (\$9,450,000) was up slightly from the 1963 figure (\$9,138,000). Mr. Drury noted that, while consumption of synthetic rubber continued to rise, significant over-capacity caused intense price competition in world markets. During the year certain countries imposed protective trade measures that adversely affected Polymer's income from export sales. The company's favourable profit under these conditions was a result of increased capacity, technological improvements, diversification of product line and improved distribution.

Capital expenditures were reported at \$7,810,000 and dividends in the amount of \$4 million were paid into the Consolidated Revenue Fund.

CANADA-U.S. DAM AGREEMENT

On March 25, the Secretary of State for External Affairs, Mr. Paul Martin, and the United States Ambassador to Canada, Mr. W. Walton Butterworth, signed an agreement between their governments concerning the establishment of an international arbitral tribunal to dispose of United States claims relating to Gut Dam.

BACKGROUND

These claims arose in 1951 and 1952. At that time, there were unusually high water-levels in Lake Ontario. Residents of the United States owning real estate on the south shore of Lake Ontario and the St. Lawrence complained that these levels were attributable in whole or in part to the construction by the Government of Canada of a small navigation improvement in the international section of the river known as "Gut Dam".

The construction of Gut Dam was carried out at the beginning of the century pursuant to arrangements entered into between the Canadian and United States Governments of that day. Gut Dam itself was removed in 1953 as part of the St. Lawrence Seaway construction programme.

The position the Government of Canada has maintained from the first is that there is no basis, either in law or in fact, for these claims. The claimants, took their dispute before the courts in the United States, where the suits were rejected on procedural grounds without their merits having been examined.

YEARS OF NEGOTIATION

Over the years, inter-governmental negotiations have been in progress with the United States on an intermittent basis with a view to finding a fair solution. The agreement now signed represents the successful results of these negotiations. Under its terms, the United States claimants will be afforded the opportunity to have their cases heard and disposed of on their merits. Any award made by the tribunal will be final and binding on both governments. The Government of Canada is not at present in possession of any precise figure on the aggregate amount of these claims, but it is believed they will run into millions of dollars.

JAPANESE BEAUTY TOURS CANADA

Hiroko Koba, Miss Japan-Canada Friendship, arrived in Vancouver on March 19 bearing personal greetings from the Prime Minister of Japan, Mr. Eisaku Sato, to Prime Minister Lester B. Pearson. She then set off on a whirlwind three-week tour of Canada. "I am sure this tour... brief as it must be, will contribute materially toward a better knowledge in Japan of Canada and its trade and travel resources", said Trade Minister Mitchell Sharp. "At the same time, it will serve to bring Japan and the Japanese people into sharper focus for Canadians."

During her visit, Miss Japan-Canada Friendship met provincial and municipal dignitaries, civic officials, university faculties and students and others prominent in the daily life of Canada.

Seven Japanese leaders distinguished in the cultural, educational and trade fields, with the

Canadian Ambassador to Japan, Mr. R.P. Bower, and Canada's Minister (Commercial) in Tokyo, Mr. R.G.C. Smith, selected Miss Koba from entrants nominated by universities, business firms and other organizations. More than a thousand nominations had been received when entries closed on February 19. Nearly 80 per cent of the entrants were graduates or under-graduates of Japanese colleges or junior colleges.

Miss Koba was accompanied on her Canadian tour by a corps of Japanese newspaper, magazine and television commentators and cameramen, who reported back to their homeland on Canadian affairs as they saw them.

The Japanese group visited Vancouver, Banff, Calgary, Regina, Winnipeg, Montreal, Quebec, Ottawa, Toronto, Niagara Falls, Edmonton and Victoria. Through the co-operation of provincial officials, the Canada-Japan Trade Council, the Canada-Japan Association, the Japanese-Canadian Cultural Centre and various civic bodies, the party had a full programme of activities in each city they visited.

TELEPHONES OF GOVERNMENT

Canada's more than 40,000 government telephones, which the Glassco Commission recently termed "status symbols" rather than the tools they should be, are in for a complete overhaul, the Department of Transport announced recently. The department, charged with co-ordinating all government telecommunications planning, has taken over the Government Telephone Service Office from the Treasury Board and integrated it with its new Administrative Telecommunications Agency (ATA).

The co-ordinating and control functions of the former Government Telephone Service Office will be augmented by the technical capabilities of the ATA. The new agency will strive for improved efficiency in telecommunications by using the most modern methods and techniques.

The multiple needs of various government departments will be consolidated wherever economies can be effected without hampering service.

DIRECT-CALL SERVICE

Modern inter-city services will give federal offices in Ottawa direct calling to most places in Canada and, in the process, save the Government about \$250,000 a year. Several exchanges in Montreal have already been consolidated into one, and direct inter-connections will soon be possible between it and Ottawa's 22,000 government telephones, by the use of special facilities provided by the telephone company.

Discussions are under way with the British Columbia Telephone Company to see how all government exchanges on the West Coast can benefit most from the consolidation of services in Vancouver and Victoria.

The ATA is also expected to advise government departments on the most efficient arrangements and use of other forms of telecommunications, such as teletype and data transmission and, to this end, will work closely with the telegraph and telephone companies.

WHEAT BOARD PAYMENTS

Mr. Mitchell Sharp, the Minister of Trade and Commerce, informed the House of Commons recently that the Canadian Wheat Board had made the following announcement in Winnipeg concerning the final payment on wheat delivered to the Board during the crop year 1963-64:

Including 43,425,117 bushels of Durum Wheat, producers delivered a total of 563,875,208 bushels of wheat to the Board in the 1963-64 crop year. This is the largest volume of wheat ever delivered by producers to the Board in a crop year. The amount of the final payment to be distributed to producers is \$271,964,204. This final payment is a record in the history of Board operations. This is not a payment by the Government of Canada but represents the net returns of the Canadian Wheat Board in the marketing of Western Canadian Wheat for the 1963-64 crop year. Of the total payment, \$18,376,022.00 will be distributed to producers of Durum Wheat.

AVERAGE PAYMENTS

The average final payment for wheat other than Durum is 48.725¢ a bushel, which is also a record. The average final payment for Durum Wheat is 42.317¢ a bushel. These average payments compare with 40.181¢ a bushel for grades of wheat other than Durum and 64.780¢ a bushel for Durum Wheat delivered by producers in the 1962-63 crop year.

NEWFOUNDLAND POWER AGREEMENT

The Northern Canada Power Commission will finance construction of power-transmission facilities in connection with Newfoundland's Bay d'Espoir hydro-electric project, at a cost of \$17,700,000. The NCPCC recently concluded an agreement for this purpose with the Newfoundland and Labrador Power Commission under the Atlantic Provinces Power Development Act. This provides for construction of a transmission-line system 320 miles long in eastern and northwestern Newfoundland, which will serve such centres as St. John's on the Avalon Peninsula and Cornerbrook on the west coast.

The Atlantic Development Board has provided a \$24-million grant to help finance construction of the power plant itself.

TO COMPLETE YUKON HIGHWAY

Up to \$500,000 will be spent this year to complete the 220-mile highway between Watson Lake and Ross River in the Yukon. The Department of Northern Affairs and National Resources has spent some

\$5 million on this road since 1961. Its completion will open up a large mineral-rich area in the south-eastern part of the Yukon.

The highway is being built as a development road, the Federal Government paying the whole cost. Its maintenance will be a joint federal-territorial responsibility, in accordance with the Federal-Territorial Financial Agreement.

One of two completed sections, extending north from Watson Lake, links up with the 80-mile Nahanni Range Road, which serves the property of the Canada Tungsten Mining Corporation on the Mackenzie District border.

CANADIAN FLAG STAMP

Details of a commemorative postage stamp depicting Canada's new flag were announced recently by Mr. René Tremblay, Postmaster General. The new stamp is to be placed on sale June 30, to coincide as closely as possible with Canada's national holiday.

The flag stamp, printed in red and blue, will be of the horizontal large size. Its main theme will be in the official colours red and white and the background will be blue. The only wording to appear on the stamp will be "Canada", in the top right corner, the words "Postes-Postage" along the lower right border and a large 5 in the lower left corner.

In making the announcement, Mr. Tremblay explained that the Department expected a greater demand for the new stamp than for other commemoratives. As a result, some 35 million are to be printed, compared to the usual 27 million.

NEW DEAL FOR CANADA'S CHINESE

The Minister of Citizenship and Immigration, Mr. John R. Nicholson, recently announced that, effective immediately, Canadian citizens and permanent residents of Canada of Chinese origin would no longer be required to record their return to Canada after visits abroad. They will in future be dealt with in the same manner as other Canadians. The decision was made in response to a request by the Chinese community in a brief presented to the Minister.

Mr. Nicholson said that, in the past, visits abroad had been to assist the Chinese in establishing a relationship when they later applied for the admission to Canada of their dependents. The improved system of recording vital statistics in Hong Kong and China had, he added, made it possible to eliminate the use of this procedure for Canadian citizens and legal residents of Chinese origin.