

# Canada Weekly

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Following the tabling of the budget in the House of Commons, Prime Minister Pierre Trudeau met with the provincial premiers in Ottawa, June 30 to discuss the Canadian economy. The Prime Minister and First Ministers agreed on a meeting of federal and provincial ministers to co-ordinate housing and job-creation measures and they examined the possibility of another First Ministers' meeting on the economy in the fall.

## New budget emphasizes restraint to curb inflation and increase investment

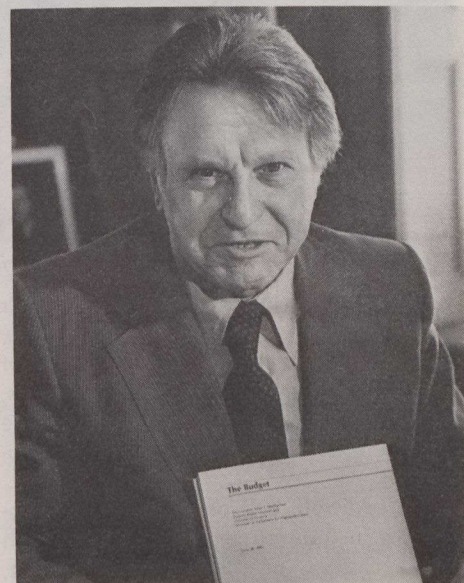
Finance Minister Allan J. MacEachen brought down a budget on June 28 designed to reduce inflation more quickly, shore-up investment and business confidence, and assist those Canadians most seriously affected by the recession, while at the same time containing the deficit.

The main actions proposed to promote these objectives involve restraint on wage and salary increases in the federal public sector, a strategy to lower annual increases in earnings from 12 to 6 per cent over two years, and a rearrangement of government spending priorities to provide more help to persons hardest hit by unemployment and high interest rates.

In presenting his budget, Mr. MacEachen emphasized the severe negative impact that inflation and the current recession are having on employment, profits, and Canada's competitive position as well as business and consumer confidence. The deterioration in the economic situation has also led to a sharp increase in the budgetary deficit, which has increased from \$12.9 billion in 1981-82 to a forecast level of \$19.6 billion this year, whereas the November 1981 budget had forecast this year's deficit at \$10.5 billion. As a result, government financial requirements are now projected to be \$17.1 billion compared to \$6.6 billion as forecast last November. The minister noted that the Canadian deficit is not out of line in relative terms with those of most other Organization for Economic Co-operation and Development countries.

Reducing inflation is seen as a precondition to sustained improvement in economic welfare and employment levels. As long as inflation is expected to increase, wage pressures will remain intense, the cost structure will worsen and Canada will have difficulty competing in world markets, warned Mr. MacEachen. The government therefore intends to maintain its basic stance of monetary and fiscal restraint since abandoning such restraint would make matters worse, he added.

In his budget speech to the House of



Peter Bregg, CP

*Finance Minister Allan MacEachen holds June budget papers.*

Commons, Mr. MacEachen emphasized that the persistence of the U.S. recession and high interest rates in that country are the foremost international obstacles to a resumption of growth in Canada and the rest of the world. He noted that, while there are signs that the recession in the United States may soon "bottom out", high real interest rates in that country remain a barrier to strong recovery and are keeping interest rates higher than domestic circumstances require in other countries, including Canada.

### Strategy to reduce inflation

Mr. MacEachen expressed concern about current rates of price and wage increases in Canada relative to those of the country's key trading partners, notably the United States, Japan and the Federal Republic of Germany. He proposed a strategy to bring wage and price inflation down in the country, under the leadership of the federal government.

Under the plan, a public sector compensation restraint program will constrain rates of pay to increases of no more than



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Chuck Mitchell, CP Laserphoto

Mr. MacEachen is applauded after delivering his budget speech in Parliament.

6 per cent over the coming year and 5 per cent over the following year. This program applies to ministers, members of Parliament, senators, judges, armed forces, Royal Canadian Mounted Police, the federal public service and Crown corporations.

In addition, a 6 per cent limit on increases in indexed social payments (with the exception of the Child Tax Credit, the Guaranteed Income Supplement and veterans' pensions) will become effective in January 1983. It will drop to 5 per cent in 1984. This limit also applies to persons receiving public service pensions. A 6 per cent limit on the indexing of personal income tax will apply for 1983 and a 5 per cent limit for 1984.

Federal agencies regulating prices of public transportation, public communications, foodstuffs and other goods and services are asked to adhere to the objectives of the government and to depart from them only in exceptional circumstances. The provinces will be asked to take similar actions.

All Canadians are being asked to lower their demands for income increases to 6 per cent during the 12 months ending in July 1983 and to 5 per cent in the following 12-month period. Businesses are urged to lower their price increases as costs go down and profit margins are restored over this two-year period. The government will seek consultations with business, labour and the provinces to determine the best ways of implementing this strategy.

The federal budget also introduced a number of immediate measures to create

jobs and sustain economic activity.

The government will allocate \$2.3 billion in 1982-83 and 1983-84 to new and expanded programs to create jobs, sustain activity and provide assistance to the sectors hard hit by the recession and high interest rates. Of that total, \$400 million will provide housing stimulus and mortgage assistance, and \$500 million to provide interest costs relief for small businesses, farmers and fishermen. Among the new programs are the following:

- effective immediately, the purchaser of a newly constructed home or a first-time purchaser buying an existing home can receive an outright grant of \$3 000; and
- effective immediately, the government will pay grants to reduce the interest rate by up to 4 percentage points for two years on loans taken out by small businesses to finance new investment and research development. Eligibility will parallel the previous small business development bond program, but loans to both incorporated and unincorporated small businesses can qualify. Farmers will also qualify for such loans.

#### Consultations on tax measures

Further consultations will be held with persons and businesses affected by the income tax changes proposed in the November 1981 budget but not yet enacted to ensure that changes do not have unintended effects. Many specific proposals will be modified or their implementation postponed.

Mr. MacEachen announced that new tax proposals for investment income

would be examined by a committee of prominent specialists. The proposals are for indexed term deposits and loans and for a registered shareholder investment plan. Also included in the budget is an extension for three years on the exemption from the non-resident withholding tax on interest paid abroad.

These tax measures, together with expenditure re-allocations will provide \$3 billion over the current and the next fiscal year, about \$800 million more than the new spending announced in the budget.

#### Foreign investment changes

The following changes will be made in the procedures of the Foreign Investment Review Agency (FIRA):

- FIRA's small business procedures for new investments or direct acquisitions in Canada now apply to companies with 200 employees and assets of \$5 million (formerly 100 employees and \$2 million);
- when a foreign-controlled Canadian company is acquired in the course of the acquisition of its parent by another foreign-controlled company, the small business procedures will apply to companies with up to 600 employees and \$15 million in assets;
- small business investments are no longer subject to the full review procedure except when they appear to raise important policy issues; and
- when investors are required to have a full review, new administrative procedures will contribute to greater clarity and speed of decision making.

The re-evaluation of FIRA review processes will continue, said Mr. MacEachen.

#### Energy

In the energy sector, the federal government does not intend to accelerate the pace of either private or public acquisition of foreign energy holdings in the immediate future since movement towards the goal of 50 per cent Canadian ownership by 1990 is running ahead of schedule.

Mr. MacEachen also announced that spending will be reduced by about \$175 million this year and \$200 million next year in the areas of foreign aid and defence. This is not expected to affect the fulfilment of Canada's commitments, as the amounts are no more than implied by the reduction in the inflation factor relevant to defence, and the reduction in nominal gross national product used as a reference point in setting the official development assistance levels.

## Regina hosts international energy show and meeting

ENERGEX '82, an international energy show which will explore the technical, economic and human dimensions of energy self-reliance, will be held in Regina, Saskatchewan, August 23-29.

The show, sponsored by the University of Regina and more than 30 Canadian businesses, associations and government departments, will include a major energy exposition, technical conference, workshops and tours and is expected to attract more than 50 000 people.

The exposition component of ENER-GEX '82 will be one of the largest show-places for energy and energy conservation developments ever held in Canada and will focus on energy conservation and production and consumption in such areas as oil, gas and nuclear energy.

About 9 000 metres of display space at Regina's Exhibition Grounds will house the exhibits of practical hardware,

services and research of energy suppliers, consultants, laboratories and government agencies.

Among the exhibitors at ENER-GEX '82 will be Atomic Energy of Canada, Canadian Petroleum Association, the governments of Saskatchewan, Ontario and Quebec, TransCanada Telephone System, the federal department of Industry, Trade and Commerce and the University of Regina.

The eighth annual conference of the Solar Energy Society of Canada Incorporated (SESCI) will also be held during ENER-GEX '82 at the University of Regina. It will feature internationally known speakers, including Ivan Head, president of the International Development Research Centre; Hazel Henderson, an American energy futurist; and J.H. Okwanyo, president of the first United Nations Conference on New and Renew-

able Energy Sources and Kenyan Minister of Energy. Former Ontario Liberal leader Stuart Smith will be the moderator of a panel discussion on the integration of new and renewable energies.

In addition, more than 20 technical sessions in such areas as photovoltaics, geothermal energy, low head hydro, wind power and biomass will be offered at the SESCO conference.

ENERGEX '82 will feature workshops on such topics as "Propane as a Transportation Fuel", "Energy Conserving Living", and "Retrofitting Your Home". A number of tours have also been planned, including a tour of Innovation Place in Saskatoon to view a planned industrial research and production facility; a trip to see Saskatchewan Minerals Corporation surface mining of sodium sulphate salts and manufacturing of energy storage trays and fertilizers; and a tour of Saskatchewan Power Corporation coal drag lines and coal fueled power generating stations at Coronach and Boundary Dam.

## Canadians play significant role at Pacific conference

The Pacific community concept (PCC) took another step forward at the Second PCC Conference held in Bangkok in June and a Canadian is among those leading the effort.

The four-day conference focused on the prospects for increased economic and social interaction among the countries surrounding the Pacific Rim. The meetings which drew together business, academic and government officials were under the chairmanship of Dr. Thanat Khoman, Thailand's Deputy Prime Minister and one of the earliest proponents of the notion of a Pacific Community.

The conference concluded that the existing bilateral and multilateral forums tended to be neither sufficient nor effective in dealing with the major issues of economic relations in the Pacific Basin.

Dr. H. Edward English, Professor of economics at Carleton University in Ottawa, described the situation as being one in which "the countries of the South want an environment in which their trading potential can be most effectively developed while countries of the North desire an investment environment which is sound and clear ground rules which will stick".

In an effort to find solutions to these problems the PCC Conference created task forces with specific mandates to

bring forward practical policy proposals at the next conference to be held in Jakarta in November 1983. The task forces will concentrate on labour intensive manufacturing trade, trade in primary agricultural products, and trade in minerals and investment and technology.

To oversee the efforts of the task forces and to present the findings at the

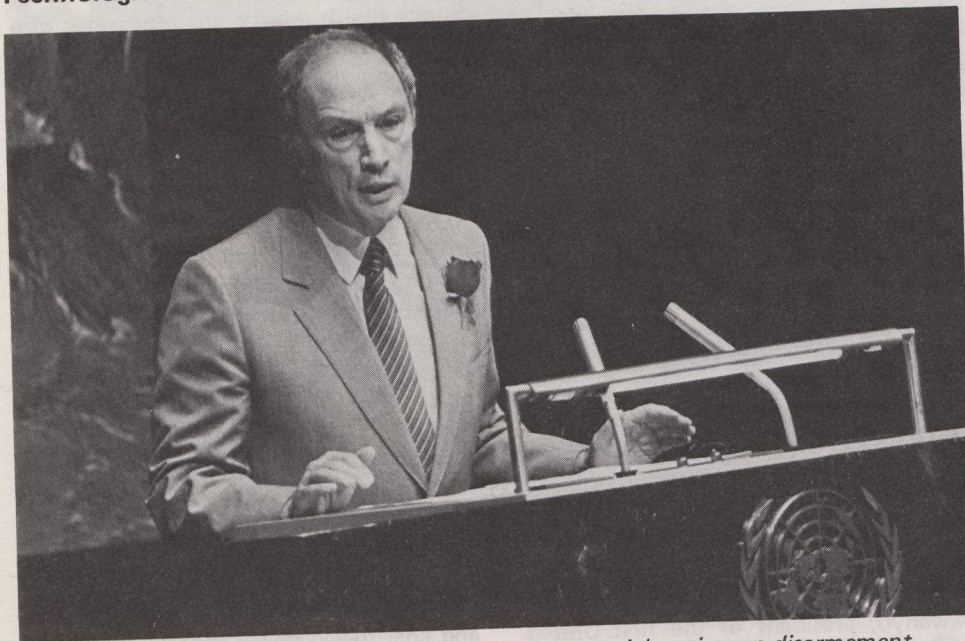
next conference an eight-man committee was formed including Eric Trigg, executive vice-president of the Aluminum Company of Canada.

Mr. Trigg described his selection as "significant in that Canada is represented at the ground floor level. This is especially important because of the increasingly significant role the Pacific plays in Canada both now and in the future".



(From left to right): Dr. H. Edward English, Carleton University; W.T. Delworth, Assistant Under-Secretary, Department of External Affairs; Dr. Thanat Khoman, Thailand's Deputy Prime Minister; and Eric Trigg, Executive Vice-President of Alcan.

## Technological momentum fuels the nuclear arms race



Prime Minister Pierre Trudeau addresses the second special session on disarmament.

One of the most important problems facing the United Nations is how to break the arms spiral, said Prime Minister Pierre Trudeau in a speech to the second United Nations Special Session on Disarmament (UNSSOD II) in New York City on June 18.

The Canadian delegation to the meeting included Secretary of State for External Affairs Mark MacGuigan, Ambassador and Permanent Representative to the United Nations Gérard Pelletier, Ambassador for Disarmament Arthur Menzies, Chairman of the House of Commons Standing Committee on External Affairs and National Defence Marcel Prud'homme and a number of parliamentary observers and consultants.

Mr. Trudeau told those attending the session: "We arm out of fear for our security and we will disarm only if we are convinced that the threat to our security has abated. Arms control, to be viable, must increase security, not reduce it."

The Prime Minister said that "the shadow that overhangs all arms-control negotiations and has led to the unravelling of some, comes mainly from the fact that we are dealing with an array of very different weapons systems in circumstances where technological innovation tends to overtake a negotiation even while it is in progress".

Arms control negotiations must take account of the legitimate interests of both sides, Prime Minister Trudeau told the session. "An attempt by one side to make strategic gains at the expense of

the other will not, in the end, work. Only measures that increase mutual security are likely to offer a way out of the present paralysis. In particular, the two super-powers must start with the recognition that each has strategic interests and the strength to protect those interests," said Mr. Trudeau.

### Nuclear arms talks

With reference to the negotiations on intermediate range nuclear forces (INF) which began late last year, the Prime Minister said that North Atlantic Treaty Organization countries "passionately

want these negotiations to succeed in removing the current threat and thereby obviating the need to deploy new missiles of our own".

Mr. Trudeau expressed the hope that the Warsaw Pact countries would negotiate in good faith and advised those countries that the West's position on nuclear arms matters would remain strong regardless of public demonstrations in Western Europe and North America against the arms race.

"It would be a grave miscalculation were the Soviets to misinterpret the very strength of our democratic system as a demonstration of the weakness of our resolve," said the Prime Minister.

The Canadian Prime Minister added that he was concerned with the "technological momentum" that underlines the arms race. "Instability is the fuel that feeds the nuclear arms race. That is why, four years ago, I put before this assembly a 'strategy of suffocation' designed to deprive the nuclear arms race of the oxygen on which it feeds, from the laboratories to the testing sites," said Mr. Trudeau.

"The main elements of the strategy had long been familiar features of the arms control dialogue: a comprehensive test ban; a halt to the flight-testing of all new strategic delivery vehicles; a cessation of the production of fissionable material for weapons purposes; and a limitation, and eventual reduction, of military spending for new strategic weapons systems. It was in the combination of these elements that I saw a more coherent, a more efficient and a more promising instrument



Mr. Trudeau (right) meets with UN Secretary-General Javier Perez de Cuellar.

for curbing the nuclear arms race," said the Prime Minister.

If the strategy is to be effective all the elements are essential, said Mr. Trudeau. He added that a technological freeze is fundamental to controlling the arms race and that it should be "enfolded into a more general policy of stabilization".

"Thus a policy of stabilization has two complementary components; the suffocation strategy which seeks to inhibit the development of new weapons systems and our current negotiating approach aimed at qualitative and quantitative reductions in nuclear arsenals designed to achieve a stable nuclear balance at lower levels," said the Prime Minister.

Mr. Trudeau proposed to the assembly that an early start be made on a treaty to prohibit the development, testing and deployment of all weapons for use in outer space.

In his address, Prime Minister Trudeau also referred to the practice of verification which he said the international community should view as one of the most important factors in disarmament negotiations. "Verification is not only a matter of access. Verification entails a technology of its own that differs from weapons system to weapons system. Therefore, ideally, the work on verification should prepare the way for arms control agreements that still lie ahead; otherwise, problems of verification will inevitably prevent the conclusion of even well advanced arms control negotiations," he said.

Canada is allocating increased funds for arms control and disarmament initiatives, Mr. Trudeau continued. First, the government is providing resources so that Canada can participate in the international data exchange, the international verification mechanism which will be part of a comprehensive test ban treaty. "We believe that the exchange should be fully operational at an early date and in advance of the treaty," he said. Secondly Canada will enhance research in verification and will attempt to use both public and private expertise in Canada to develop more effective verification procedures, said Mr. Trudeau.

In conclusion, Prime Minister Trudeau told the session: "When the security of the world and the fate of the human race are at stake, all governments have a duty to raise their voices on behalf of the societies they represent. Above all they have a duty to bring to an end our collective impotence in the face of nuclear peril."

## East coast exploration agreements

The Department of Energy, Mines and Resources has announced the conclusion of the first exploration agreements between representatives of both the federal and Nova Scotia governments and Shell Canada Resources Limited, the operator on all the lands covered by the agreements.

The six agreements totalling \$263 million and involving 3.8 million hectares on the Scotian Slope have been approved by the Canada-Nova Scotia Offshore Oil and Gas Board which was established under the Canada-Nova Scotia offshore agreement in March to manage oil and gas activity off the coast of Nova Scotia.

### Six wells to be drilled

Using the drilling rig Sedco 709, built in Halifax for its program, Shell Resources Limited and its partners will drill six deep water wells under the terms of the agreements. Two of the agreements have six-year terms and four agreements have four-year terms.

The Canada Oil and Gas Act, proclaimed March 5, 1982 calls for all existing oil and gas interests in the Canada Lands — offshore areas and the North — to be renegotiated during the coming months. The Canada Oil and Gas Lands Administration (COGLA) is responsible for negotiating the exploration agreements and establishing the blocks of land on which a company will work.

Through COGLA, Shell must still obtain approval for all phases of its work, including the drilling programs and specific work approvals for each well it wants to drill. Through regulations and conditions strictly controlling all work, COGLA will ensure that environmental and occupational health and safety concerns are met.

### Increased Canadian ownership

COGLA also sets out the selection process by which exploration agreement lands are returned to the Crown for future disposition. During the terms of the Shell agreements, 50 per cent of the land covered in the agreements will be returned to the Crown.

In announcing the agreement, federal Energy Minister Marc Lalonde pointed out that the Canada Benefits plan submitted by Shell Resources Limited is an important feature related to the agreements. Shell will ensure that Canadians, particularly Nova Scotians, will be given

a fair and competitive opportunity to provide goods and services for the exploration program. It is expected there will be 254 positions available by 1984, 97 per cent of them going to Canadians and 87 per cent of those to workers from Nova Scotia.

The present Canadian ownership rate (COR) for most of these agreements is estimated to be 6.3 per cent. When the full interests in the farm-out agreements have been earned, the COR is expected to rise to 29.6 per cent. In the area known as the South Acadia Block, it is estimated that the COR will rise from 33.2 per cent to 44.8 per cent. These figures are exclusive of the Crown's right to a 25 per cent share.

## Health act planned

Federal, provincial and territorial ministers of health met in Ottawa last month to discuss proposals which would lead to a new Canada Health Act.

The new legislation would consolidate existing legislation and clarify the national standards for insured medical and hospital services. It would replace the existing Hospital Insurance and Diagnostic Services Act and the Medical Care Act. The Canada Health Act is expected to be tabled in the House of Commons next spring.

The federal proposals for the Act are aimed at ensuring access to high quality care for all residents of Canada. Under the proposals 100 per cent of qualified residents would be covered. Insured services would include all medically required services of medical practitioners and certain surgical-dental procedures carried out by dentists in hospitals and all necessary in-patient and out-patient care in hospitals and related types of institutions.

In addition, the federal government proposed that all Canadian residents should be entitled to: a sufficient quantity of insured services; an equitable geographic distribution of insured services; availability of insured services when needed; acceptable quality of insured services; and delivery of insured health services without financial barriers.

Federal Health Minister Monique Bégin, in putting forward the proposals, indicated that in order to keep health care accessible to all Canadians steps must be taken to eliminate extra-billing which she said would eventually "threaten accessibility and gradually erode our prepaid health care system".

## Priest wins prize

The Right Reverend Georges-Henri Levesque, a 79-year-old Dominican priest, was presented with the 1982 Royal Bank Award comprising \$100 000 and a gold medal in a ceremony in Quebec City recently.

Often called one of the fathers of Quebec's "Quiet Revolution", Father Levesque has been a strong fighter for freedom of expression and social justice.

In 1938, Father Levesque founded the Faculty of Social Sciences at Laval University, a first for a French-language Canadian university. Many of Quebec's leading thinkers, politicians, academics and businessmen including a number of the architects of the Quiet Revolution, were educated in the faculty and became interested in social reform in Father Levesque's classes. Among the former students were Senators Maurice Lamontagne, Jean Marchand and Arthur Tremblay.

In 1951 he was co-chairman of the Royal Commission on the Arts with Raymond Massey. Its recommendations led among other things to the foundation of the Canada Council and Father Levesque was its first vice-chairman.

He also founded and was first dean of the National University of Rwanda in Africa.

Father Levesque is currently in retirement at the Dominican Order's Saint-Albert-le-Grand monastery in Montreal and plans to share his winnings with his order, the University of Rwanda and to help finance his memoirs.

## Waterton Lakes National Park subject of new stamp issue

Canada Post has issued a new stamp in the National Park definitive stamp series featuring Waterton Lakes National Park. This stamp is the third in a continuing series of high-value definitive stamps that began in 1979.

Waterton Lakes National Park occupies the southwestern corner of Alberta where the mountains rise majestically out of the prairie. Because of the geographical diversity, a wide variety of plants and animals can be found in the park. Sedimentary rocks as old as 1.5 billion years form most of the mountains in the area.

The acrylic painting illustrating the \$1.50 stamp is the work of Brent Laycock, a native of Lethbridge, Alberta. Typographic design is by William Tibbles.



## Canoeing to South America

A father and son team from Winnipeg, Manitoba recently completed a two-year canoe trip to Brazil.

Don Starkell, 49, former membership director at the Winnipeg Y.M.C.A. and his son Dana, 21, made the 20 000-kilometre trip in a 6-metre fiberglass canoe. They embarked on the Red River in Manitoba on June 1, 1980 and ended their journey in Belem, Brazil.

The two said there were many moments to savour on pristine white beaches, and especially on the Rio Negro and Amazon Rivers. Among the most memorable occurrences were wave after wave of pelicans, flocks of colourful parrots and porpoises frolicking around the canoe.

While their diet consisted mainly of canned food, tropical fruits offered the Starkells a variety to eat as they feasted on coconuts, mangoes and bananas and breakfasted on the dried root of the yucca plant mixed with fruit and sugar. "I ate everything I saw," Don said, including Panama berries that burned his mouth and left him dizzy and hallucinating for a week.

Getting lost and swamped at sea, having their skin chafed raw by sand and salt water and getting wounds which refused to heal in the salty Caribbean, crawling through jungle swamps and dodging rocks which fell from cliffs around the canoe presented some difficulties on the trip. Their worst encounter with insects, however, was not in the jungle, but with Minnesota's mosquitoes.

Don has numerous other canoe and water experiences including leading the Manitoba team to victory in the cross-Canada canoe race for Montreal's Expo 67 and also swimming 40 kilometres across Lake Winnipeg when he was 40 years old. Currently he is considering a trip with five other experienced canoeists through the Northwest Passage, departing from Churchill, Manitoba.

Dana who had been sick as a teenager, required seven pills a day and various sprays for his asthma, but found they were no longer necessary after six months of paddling. His immediate plans are to become a professional guitarist.

## Natives buy fishing fleet

Three Pacific Coast Indian councils will purchase a British Columbia fishing fleet with the support of the federal government.

The Nishga, Northcoast and Gitksan-Carrier tribal councils, operating as the Northern Native Fishing Corporation (NNFC), will buy 243 vessels now owned by British Columbia Packers Limited.

The federal government in a one-time financial commitment will provide \$11.7 million to the venture in the next three years. Additional capital investment through native contributions is expected to amount to more than \$24 million over ten years. The investment plan presented by the NNFC provides for fleet upgrading and vessel replacement as well as for the initial purchase price.

Last year, 185 vessels of the B.C. Packers fleet were leased to native operators and provided about \$1.5 million in income to the native people of British Columbia.

Under the NNFC plan, individual native fishermen will acquire the vessels, while ownership and control of licences will rest with the corporation to ensure that they remain in productive use within the native community.

The acquisition by the native corporation is expected to preserve about 250 jobs directly in fishing operations and more than 1 000 in related shore-based activities.

In making the announcement Indian Affairs Minister John Munro and Minister of State, Senator Jack Austin, expressed confidence in the fleet's ability to be economically self-sustaining beyond the one-time limited infusion of federal funds, based on long-term prospects for the west coast fishery.

## Art exhibits tour Canada

The Art Gallery of Ontario in Toronto has organized two exhibitions of Canadian Art which are being presented across Canada.

The exhibitions entitled, *The Canada Packers Collection: Selected Oil Paintings and Works on Paper* and *Alberta Rhythm: The Later Works of A.Y. Jackson*, were displayed at the Art Gallery before beginning their Canadian tours.

*The Canada Packers Collection: Selected Oil Paintings and Works on Paper*, is sponsored by Canada Packers Limited and comprises 61 works done by well-known artists from 1910 to the early 1950s.

## Group of Seven represented

Works by many of the major artists of the period covered are included in the exhibition. Ten works by A.Y. Jackson are shown, including *First Snow*, *Georgian Bay*, painted in 1920, the year the Group of Seven first exhibited together at the Art Gallery of Ontario. David Milne is represented by 12 works, including *Snowfall from the Painting House*, 1920 and *Wooded Hills, Gray Version*, 1951.

One of the most important paintings in the collection, Emily Carr's *Skidegate*, 1928, along with Lawren Harris's c. 1922



*Skidegate* by Emily Carr is part of Canada Packers Collection.

sketch for *Lake Superior* (now in the collection of the Art Gallery of Ontario) and A.J. Casson's *Old Store at Salem*, 1931, are being shown.

Other artists represented include Anne Savage, Marian Scott, Carl Schaefer, Lilius Torrance Newton, Goodridge Roberts, Bertram Brooker, Paraskeva Clark and Stanley Cosgrove.

Most of the Canada Packer's collection was assembled by its founder, James

Stanley McLean who collected works by Canadian artists when European masters were more popular. Of the 240 works in the collection, 192 were acquired from the McLean collection.

An illustrated catalogue has been prepared to accompany the exhibition.

## Later paintings and drawings featured

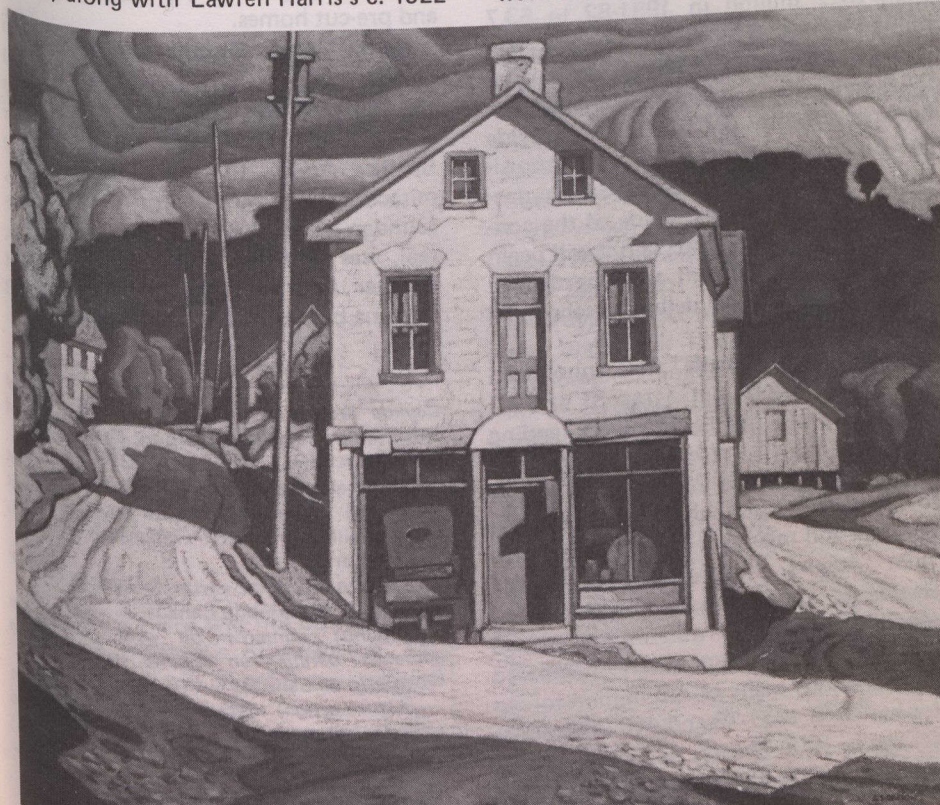
The second exhibition, *Alberta Rhythm: The Later Work of A.Y. Jackson* reveals the important contribution Jackson made during the second half of his career, after the Group of Seven had disbanded.

The exhibition, organized by the curator of Historical Canadian Art at the Art Gallery of Ontario, Dennis Reid, is the first in a series of exhibitions devoted to the later work of Group of Seven members.

Presented during the centennial year of Jackson's birth, *Alberta Rhythm*, comprises 81 canvases, oil sketches and drawings from 1933 to 1967, based largely on trips to Alberta, the Northwest Territories and Baffin Island. The selection shows how Jackson's work became increasingly personal and, at the same time, ever more closely tied to the unique character of the various new regions he explored.

Jackson often employed difficult colour harmonies and unusual textural effects to capture these special qualities: techniques that set him apart from the mainstream modernist developments around him. Dennis Reid points out that his increasing reliance on colour rather than line is reflected in the exhibition.

"In his Baffin Island sketches of 1965, his last great trip, his work gels in a



*Old Store at Salem* by A.J. Casson will tour Canada with an exhibition.



Camp Beach Looking East by A. Y. Jackson is included in Alberta Rhythm.

wonderful way. Colour harmonies are brilliant and astute and effective, in terms of being close to the local colour of Baffin Island. He caught the feel of the air and the grit of the land. These sketches are the grand finale of his work

and of the exhibition," said Reid.

Other exhibitions in this special series will include, in 1983, Arthur Lismer's later work and, in 1985, the centennial of Lawren Harris's birth will be marked with a similar show on this artist.

Art Gallery of Ontario

## News briefs

**Energy, Mines and Resources Canada** is providing research grants totalling \$1.398 million for 1982-83 under the department's research agreements program. With this funding, 34 research centres across Canada will conduct 157 projects for EMR in the natural, physical and social sciences and in engineering. Energy-related projects will focus on renewable energy — solar, wind and biomass — as well as alcohol fuels, nuclear power and uranium mining, natural gas and pipelines. Research in the earth sciences will include projects relating to mapping, seismology and, geothermal studies.

**Indian and Northern Affairs Minister John C. Munro** has announced that the government has revised its policy on land claims to Canadian Indians. The revised policy establishes the basis for claims, provides guidelines for compensation and commits the government not to apply statutes of limitation or the doctrine of laches to the process of negotiation. The government has also substantially increased funding to Indian associations

from \$2.2 million in 1981-82 to \$3.7 million in 1982-83.

**CAE Electronics Limited**, a unit of CAE Industries Limited of Montreal, has been selected by CVG-Edelca to provide the supervisory control and data acquisition system for Venezuela's Guri hydroelectric power project. Value of the contract is \$14 million. CAE said it will begin shipment of equipment to Venezuela in May 1983, with final deliveries scheduled for November 1984.

**Agriculture Canada** has announced that grain exports set a record of 22.2 million tonnes up to the week ending June 16, which surpasses the 1979-80 crop year record of 21.7 million tonnes for wheat, durum wheat, oats, barley, rye, flax and rapeseed. The crop year runs from August 1 to July 31. Export clearances of barley and rye reached record highs of 5.1 million tonnes and 515 000 tonnes, respectively, compared with previous highs of 4.9 million tonnes for barley in 1971-72 and 446 000 tonnes for rye in 1980-81.

**Leigh Instruments Limited** of Carleton Place, near Ottawa, has won a \$37-million contract to manufacture elec-

tronic systems for Canada's new F-16 *Hornet*. The contract is for the manufacture of a stores management system (SMS) and a communications system control set for the new fighter plane. Leigh's contract is part of \$3 billion in industrial benefits to be awarded to Canadian firms by McDonnell Douglas over the next 15 years.

**A major conference** on water management, *Water Policy for Western Canada: The Issues of the Eighties*, will be held at The Banff Centre School of Management in Banff, Alberta, September 9-12. The conference will provide a forum for discussion of policy issues related to the management of western Canada's water resources, and to arrive at a consensus for action. The conference will attempt to identify the major policy issues as well as a number of practical alternative solutions.

**The board of directors** of the Export Development Corporation (EDC) has approved export financing transactions totalling \$276.5 million involving loans of \$258.9 million, insurance of \$2 million and guarantees of \$15.6 million to 11 countries. The transactions involve such goods and services as: locomotives and related spare parts; aircraft and related spares and product support services; telecommunications equipment; a computerized energy system; and prefabricated and pre-cut homes.

**More than 50 000 pilgrims** from Quebec, other Canadian provinces and the United States attended a special mass recently at Olympic Stadium to honour Brother André, the man known as the miracle man of Montreal. Brother André, founder of St. Joseph Oratory in Montreal, was beatified on May 23 in Rome. Brother André's canonization is all that remains before he becomes Canada's first saint.

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