

# Canada Weekly

Volume 2, No. 7

February 13, 1974

LIBRARY DEPT. OF EXTERNAL AFFAIRS  
MINISTÈRE DES AFFAIRES ÉTRANGÈRES



Ottawa, Canada.

- CA: EAS  
CIB  
Feb 13/74  
c.2
- Taxation agreement signed at Canada/Mexico ministerial meeting, 1
  - Largest-ever sale of skim milk powder to Mexico, 2
  - Whirlwind visit of Princess Anne and Captain Mark Phillips, 3
  - Bethune exchange: doctors visit Peking, 4
  - Aid contributions increased, 4
  - Olympic coins sold in a week, 4
  - Human rights body cites co-operation, 4
  - Works of art loaned to exhibition in the United States, 5
  - Expansion of health care to Alberta senior citizens, 5
  - New record for housing-starts, 5
  - CBC to phase out radio commercials, 6
  - Weekend hockey results, 6

## Taxation agreement signed at Canada/Mexico ministerial meeting

*The Secretary of State for External Affairs, Mitchell Sharp, and Emilio Rabasa, the Secretary of Foreign Affairs for Mexico, signed an agreement in Mexico City on January 29 to end double taxation of income derived by enterprises of each other's country from operation of ships or aircraft in international traffic.*

*Mr. Sharp led a delegation at the second Canada/Mexico Ministerial Committee Meeting on January 28 and 29, which included President of the Treasury Board Charles M. Drury, Industry, Trade and Commerce Minister Alastair Gillespie and senior officials of the Federal Government. During the two-day visit the Canadian ministers called on President Luis Echeverria, with whom they had a wide exchange of views.*

*The following excerpts are from a joint communiqué issued at the end of the meetings:*

\* \* \* \*

Both Mexican and Canadian ministers noted with satisfaction the advance that had been achieved in the strengthening of relations between the two countries in the period since the first meeting of the committee, which took place in Ottawa in October 1971. They particularly noted the state visit of the President of Mexico to Canada from March 29 to April 2, 1973, in the course of which the President and Prime Minister Trudeau agreed to take a series of concrete steps designed to provide an even greater impetus to Mexican-Canadian exchanges in various fields of common interest.

Mexican ministers welcomed the increased participation of Canada in inter-American institutions, a question which had been examined during the first meeting of the committee. They expressed their satisfaction that Canada has been admitted as a member of the Inter-American Development Bank and as permanent observer to the Organization of American States (OAS). The Mexican side expressed its hope that Canada would eventually become a full member of the OAS. The Mexican Minister of Foreign Relations outlined for the Canadian ministers the steps being taken at present for the restructuring of the inter-American system with the view to making it more adequately correspond to the interests of its members. The Canadian side expressed its appreciation for Mexico's interest and stated that it would follow these developments and their implica-

tions for the Canadian position.

The Mexican and Canadian ministers recalled that during President Echeverria's visit to Ottawa, Prime Minister Trudeau had agreed that the preparation of a charter on the economic rights and duties of states was of major importance in the pursuit of international peace and security. The two governments had agreed to co-operate closely in the drafting of this charter. The Mexican ministers examined with the Canadian ministers the progress achieved by the Group of 40 in its elaboration. In this respect, they reaffirmed the interest of both governments in pursuing their co-operation within that Group which will meet in Geneva on February 4 and in searching for formulas to reconcile divergent interests given that they both recognize that approval of the charter will mark an important step in the codification and development of basic principles of economic relations between states. In particular, they reiterated the desirability of having the final draft of the charter approved during the twenty-ninth session of the United Nations General Assembly (UNGA), in keeping with Resolution 3082 (XXVIII) which had been unanimously adopted on the basis of a draft presented by a large number of delegations, including those of Mexico and Canada.

## Law of the Sea

Ministers emphasized the importance of the UN Conference on Law of the

Sea which will be held in Caracas beginning in June of this year. In this respect, they noted that both Mexico and Canada are in agreement that coastal states enjoy special rights with regard to the exploitation of all the resources in a broad area adjacent to their coast beyond the territorial sea of 12 miles, as well as special rights in that area with regard to the prevention of pollution and the regulation of marine scientific research. They also agreed that the sovereign rights of the coastal state over the continental shelf extend over the whole of the shelf up to the outer limit of the continental margin. The ministers agreed that Mexico and Canada will continue to co-operate in the search for conciliatory formulas based on the principles outlined above.

\* \* \* \*

Ministers reviewed the state of discussions on monetary reform, particularly in view of developments at the IMF meeting in Nairobi last autumn and at the Committee of 20 meeting in Rome earlier this month. They noted that Canadian and Mexican ministers had had on both occasions opportunities for consultation and that they were in broad agreement on many of the basic elements of a reformed monetary system as a whole. The ministers agreed that it would be desirable in the context of the reform to promote the transfer of real resources from the developed to the developing countries on adequate terms. They further stated that they and their officials should continue to co-operate and keep in close consultation.

\* \* \* \*

Canadian and Mexican ministers discussed the implementation of Canada's general preference scheme. In this regard, Canadian ministers informed their Mexican counterparts that Parliament had passed legislation providing for a scheme of tariff preference for developing countries. They further indicated that the modalities of implementing this scheme are now under active study. The Mexican ministers expressed their interest in being kept informed.

\* \* \* \*

Ministers expressed their gratification that their meeting provided an occasion for the signing of an agreement

on the avoidance of double taxation with respect to the income from ships or aircraft operating in international traffic. They noted that their officials were continuing their discussions on on taxation with a view to identifying other areas where agreement might be possible.

#### Trade

Ministers expressed gratification at the substantial increase in bilateral trade during 1973. Mexican exports to Canada during 1973 expanded and diversified considerably, while Canadian exports to Mexico also continued to grow. Ministers further noted that trade in both directions included a growing percentage of manufactured products. They also noted that progress had been made in reconciling trade statistics of the two countries and agreed that this work should go forward rapidly. Nonetheless, Mexican ministers expressed their concern at the continued imbalance of trade in Canada's favour. Canadian ministers acknowledged that a trade imbalance existed but pointed out that Mexico's surplus on tourist account contributed to offset its trade deficit.

Ministers of both countries noted with satisfaction the potential for increasing bilateral trade. The Canadian Minister of Industry, Trade, and Commerce expressed his pleasure over the positive response of Mexican officials and businessmen to the trade development mission which he undertook to Mexico at the invitation of President Echeverria. The Minister was able to con-

#### Largest-ever sale of skim milk powder to Mexico

Agriculture Minister Eugene Whelan announced on January 25 a sale of Canadian skim milk powder to Mexico valued at \$34 million.

This is the largest transaction in powdered milk ever concluded between Canada and Mexico. The agreement was signed in Mexico by officials of the Canadian Dairy Commission and of CONASUPO, the purchasing agency of the Mexican Government.

The sale represents more than 35,000 metric tons of skim milk powder. One-third of the purchase will be delivered in March, April and May, with the rest for later shipment.

firm that there are substantial opportunities for increasing Mexican exports to the Canadian market as well as matching Canadian export capabilities and technology with Mexican requirements. In meetings with officials of the Mexican private and public sectors, a number of opportunities for joint ventures were examined and are receiving serious consideration. The mission also identified and pursued major opportunities for greatly increased co-operation in a wide range of products and engineering services. In the electric power area, the ministers consider that an excellent basis for close co-operation exists and it was agreed that a joint committee be formed to identify opportunities for greater Canadian participation in joint projects in this important sector. Ministers agreed that the terms of reference for the joint Canada/Mexico working group on power would be to consider the projected needs for electric-power technology and equipment, including nuclear power, in Mexico and to identify areas of joint co-operation. The Canadian ministers were pleased to note the interest of the Mexican Government in nuclear plants. The Canadian ministers stressed the advantages of plants using natural uranium and heavy water and drew attention to their highly successful operation in Canada. The ministers agreed that the prospect of increased co-operation in this important energy sector should receive high priority.

The Mexican ministers were pleased to learn of a Canadian proposal for substantial involvement in the forthcoming Mexican Railway Rehabilitation Program. This would involve a joint venture to manufacture railway-passenger cars in Mexico, as well as the supply of locomotives, rolling-stock and rails from Canada under appropriate long-term financing arrangements. Canadian ministers pointed out that Canada had traditionally made available long-term financing for the purchase of capital goods and services. Such financing arrangements could be made available if required for projects of interest to both countries.

#### Foreign investment

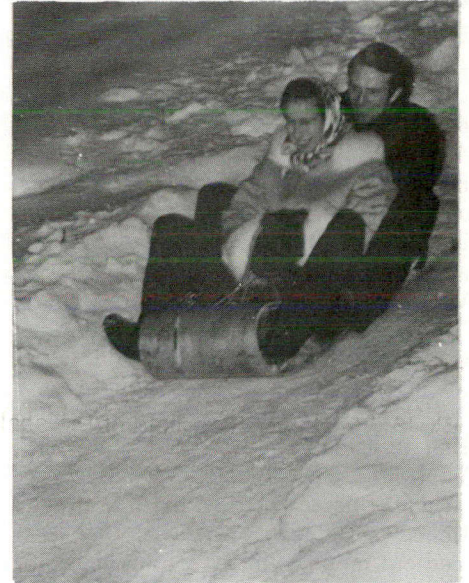
Ministers discussed their respective legislation relating to foreign invest-



Canadian Press photo

Waiting for a sleigh ride, Governor-General Jules Léger and Mrs. Léger (centre) talk to Princess Anne and

Captain Mark Phillips. Behind the princess and Mr. Léger are Mrs. Trudeau and the Prime Minister.



Canadian Press photo

The guests enjoy a toboggan ride at a party in the grounds of Government House on January 26.

### Whirlwind visit of Princess Anne and Captain Mark Phillips

Princess Anne and Captain Mark Phillips arrived in Ottawa the evening of January 25 for an informal weekend visit before leaving for the Common-

wealth Games in New Zealand. They were met at the airport by Governor-General Jules Léger, Mrs. Léger and Prime Minister Trudeau and his wife.



Canadian Press photo

Farewell waves from Queen Elizabeth, Princess Anne and Captain Mark Phillips as they board their aircraft at Uplands, Ottawa, on their way to the

Commonwealth Games in New Zealand on January 27. The Queen, here for only an hour's stopover, met the young couple after their weekend in Canada.

The next day the young couple had a full schedule that included a visit to Parliament Buildings, a brief tour of the National Arts Centre, mingling in bright sunshine with thousands of skaters on the Rideau Canal, and attendance at a hockey game in the neighbouring city of Hull, Quebec. In the evening they were guests at a skating, sleighing and tobogganing party at Rideau Hall, the residence of the Governor General. They dined and danced with Mr. and Mrs. Léger and Mr. and Mrs. Trudeau.

The recently-married pair were present the next morning at a special service in Erskine Presbyterian Church to commemorate its hundredth anniversary. Part of the day was spent with the Prime Minister and Mrs. Trudeau in their home.

The visit ended on Sunday evening when Princess Anne and her husband went to Uplands Canadian Forces Base to join Queen Elizabeth, whose aircraft stopped over for an hour *en route* to Christchurch, New Zealand.

After a brief ceremony at the airport, when the Queen invested Colonel Donald D. McKinnon as a Commander of the Royal Victorian Order, the three royal visitors said goodbye to the Governor General and the Prime Minister and their wives, who had accompanied them to the airport.

### Bethune exchange: doctors visit Peking

One of the first exchanges to take place between modern China and North America was the visit in 1961 of the Peking Opera, states the *McGill Reporter*. While in Montreal this group, on instructions from Mao Tse-Tung, gave a special performance at the Royal Victoria Hospital, the site of Norman Bethune's training in thoracic surgery. In response to this gesture in the following year Dean Stevenson and Dr. R.V. Christie went to China to establish an exchange lectureship with Montreal's McGill University.

Under this scheme, which was established in 1962, teachers from that medical faculty visited China and Chinese teachers came to McGill in the subsequent years. In 1966, however, the exchange was interrupted by the cultural revolution which closed down most Chinese universities for long periods while the whole philosophy of education was re-examined. The exchange was resumed again last year and Dr. Maurice McGregor, Vice-Principal (Health Care) and Director of the Division of Cardiology at the Royal Victoria Hospital, and his wife Dr. Margaret Becklake, a chest physician and epidemiologist have recently returned from a month as the guests of Peking Medical College.

Their schedule was busy, involving lectures to students and to medical colleagues, clinical conferences at the bedside and discussions with medical administrators and teachers on the subjects of health-care delivery and medical education. There was also an opportunity to see and learn much outside the field of medicine. During their visit they spent time on a farming commune, visited with a block committee in Peking and a nursery school in Canton, and were able to meet and talk with many colleagues and non-medical people.

Medical students, they found, were bright and responsive and, so far as they could tell, very comparable in their level of knowledge to their McGill counterparts.

They encountered friendliness and openness everywhere. Information exchange was very much a bilateral process. "We have quite as much to learn from them as to teach," said Dr. McGregor, who predicts that the in-

creased communication with China will be extremely profitable in the future to both countries.

On January 10 and 11 four Chinese surgeons took part in the McGill Symposium on Replantation of Limbs and Digits, and described the work achieved in China on the re-implantation of severed limbs. The next Chinese professors under the Bethune exchange are expected to join McGill's medical faculty in the spring or possibly in the fall of this year.

### Aid contributions increased

Enlarged Canadian contributions to three United Nations agencies were announced recently. UN Ambassador Saul Rae told the General Assembly that in 1974 Canada would provide \$21.7 million (an increase of \$1.9 million over 1973's figure) for the Development Program, plus an extra \$500,000 for projects to help the least developed countries.

Canadian International Development Agency President Paul Gérin-Lajoie, appearing recently before the Commons miscellaneous estimates committee, said that "to answer a call for help" Canada's annual contribution to the UN Relief and Works Agency, which aids Middle East refugees, rose by \$500,000 in 1973 to \$2,050,000, including \$900,000 in food. Mr. Rae also told a UN committee that Canada's contribution to the UN High Commission for Refugees would increase from \$450,000 in 1973-74 to \$550,000 in 1974-75.

### Olympic coins sold in a week

The first issue of Olympic coins, expected to raise \$250 million for the Olympic Games in Montreal, was sold out in a matter of days at chartered banks and other financial institutions across Canada.

Austin Page, managing director of the Olympic Coin Program, said that the demand had been twice that expected for the first issue of nine million coins, one million of which have already been struck.

Limited numbers of the first four coins — two worth \$5 each and two worth \$10 each — went on sale at face value. The first series consists of nine

million coins in \$10- and \$5-denominations with a face value of \$68 million.

None of the coins is expected to be used in general circulation.

Postmaster General André Ouellet, charged with the administration of the program under legislation passed in Parliament last July, said: "This is by far the biggest single international marketing operation ever envisaged by Canada. We have an opportunity to produce something for which there is world-wide demand. And the beauty of the entire idea lies in the fact that not only will it allow us to stage the Games without calling on the public purse, but can also provide a means of enhancing Canada's prestige in the international community."

Mr. Ouellet said that "such a bold and imaginative plan" would be closely watched by other nations.

"If we succeed — and I have every confidence that we will — then the precedent set by this country will have opened the door for the world's smaller and less affluent nations, allowing them to aspire for the first time to host the Olympic Games," said Mr. Ouellet.

At least one Montreal coin dealer thinks that the Olympic coins would be an excellent buy.

"The real value is going to come in those proof sets," he said. "The ones from Munich, if you can get them, are now selling for eight times the face value. But you can't get them. It could be the same thing here."

### Human rights body cites co-operation

Intervention by the Manitoba Human Rights Commission has resulted in the removal from sale by a Winnipeg department store of an item containing a description considered racist and offensive.

The commission acted on a complaint that a needlepoint kit produced in Saskatchewan and sold in Manitoba contained a colour chart listing "nigger brown" as one of the colours available.

When contacted, the department store immediately indicated that this was contrary to its policy and that the offending article would no longer be offered for sale.

The commission commended the department store for its co-operation and congratulated the woman complainant for her vigilance.

### Works of art loaned to exhibition in the United States

Two master works by the fifteenth century Venetian painter Andrea Mantegna (1431-1506) are on loan from the Montreal Museum of Fine Arts to "Gray is the Color," a four-month exhibition at the Institute for the Arts, Rice University, Houston, Texas, that ends this month.

*Dido* and its companion, *Judith*, both measuring 25¾ by 12¼ inches, are inspired by the antique. They juxtapose two heroines, one classical, one biblical. The works are spiritual and symbolic, sensuously detailed and realistic in perspective.

*Dido*, Queen of Carthage, best known for her love of Aeneas, took her life by jumping on a flaming pyre, which Mantegna shows unlit in the background. *Judith*, in the Old Testament, went to the enemy's camp to save her people and decapitated their leader, the great Holofernes.

Both monochromes have been shown extensively in exhibitions at Mantua, New York, San Francisco, Ottawa, Toronto and Montreal. They were purchased by the Montreal Museum in 1920.

About half the works in the show at Houston came from museums in France, including the Louvre.



*Dido* (left) and *Judith*, works by Italian artist Andrea Mantegna (1431-1506)



loaned by the Montreal Museum of Fine Arts to an exhibition in Houston, Texas.

### Expansion of health care to Alberta senior citizens

The terms of an extended health-care program to assist Alberta's 127,000 senior citizens in dealing with the rising cost of living were announced recently.

The extended health-care program is designed to meet requirements for many services not previously covered. It is believed that many senior citizens elect to do without rather than face the cost of some services.

Services provided by dentists, dental mechanics, hearing-aid dealers, optometrists, ophthalmic dispensers and druggists supplying surgical and medical appliances and equipment are covered. The program is estimated to cost more than \$3 million annually.

Recipients will be normally allowed one pair of glasses in any three-year period and one set of dentures in any five-year period. The program will cover the cost of relining dentures

once every two years. A beneficiary will be limited to total dental services of \$1,000 for a consecutive two-year period.

Hearing-aid dealers in the province have entered into an agreement with the government that provides for full cost of fitting and selecting hearing aids and the fabrication of an ear mould, plus servicing for 12 months following a 30-day trial.

Major equipment provided will be other than that normally supplied by a hospital or nursing home and will meet long-term requirements. Wheelchairs will be made available only after the beneficiary has produced a prescription or statement from a physician or other appropriate person. Ownership will remain with the government and will be provided to the beneficiary on an extended loan basis. Devices such as supports are also covered.

### New record for housing-starts

The final count of 268,529 housing starts in 1973 represented a gain of 18,615 over the previous record of 249,914 set in 1972 and established the third successive record of annual starts.

Housing completions also climbed to an unprecedented 246,581 in 1973 and, for the first time, dwellings under construction at the end of a year exceeded 200,000.

The 7.4 per cent increase in the volume of starts from 1972 reflected higher levels of activity in all provinces except Alberta and Manitoba, which experienced decreases of 6.8 and 4.5 per cent respectively.

Starts on single-detached houses last year climbed to 131,552, an increase of 14 per cent from the 1972 figure of 115,570, while starts on multiple units showed a gain of 2 per cent to 136,977 from 134,344.

### CBC to phase out radio commercials

The Canadian Broadcasting Corporation plans to phase out radio commercials on its English and French networks later this year because they are not worth the problems involved for the amount of revenue obtained, according to Laurent Picard, president. He suggested that the net revenue from radio commercials to the CBC was about \$1 million. Mr. Picard said that the corporation would also like to eliminate television advertising aimed at children and to ban television commercials from certain forms of programming.

### Weekend hockey results

#### National Hockey League

##### Results February 2

Toronto 6, Boston 2  
 NY Rangers 3, Minnesota 1  
 NY Islanders 2, Vancouver 2  
 Philadelphia 12, Detroit 2  
 St. Louis 6, Buffalo 1  
 Chicago 3, Pittsburgh 1  
 Los Angeles 3, California 1

##### Results February 3

Montreal 4, Detroit 1  
 Toronto 3, Buffalo 3  
 Minnesota 5, NY Rangers 5  
 California 4, NY Islanders 2  
 Boston 5, Pittsburgh 4  
 Chicago 3, St. Louis 0  
 Philadelphia 2, Atlanta 2

#### World Hockey Association

##### Results February 2

New England 5, Houston 2  
 Minnesota 4, Cleveland 2

*Canada Weekly* is published by the Information Division, Department of External Affairs, Ottawa, K1A 0G2. An index appears quarterly.

Material may be freely reprinted, for the use of which credit would be appreciated; photo sources, if not shown, will be provided on request to (Mrs.) Miki Sheldon, Editor.

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

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

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

### Results February 3

Cleveland 3, New England 1  
 Edmonton 5, Los Angeles 2  
 Winnipeg 4, Chicago 2  
 Toronto 5, Minnesota 4  
 Quebec 5, New Jersey 3

### Canada/Mexico

(Continued from P. 2)

ment and agreed on the need to ensure that such investment contribute to the national interest of the recipient country. They agreed that within this framework there were opportunities for mutually advantageous co-operation between Mexican and Canadian firms. They emphasized those areas where Canadian technology and experience might contribute to Mexican industrial development. Canadians including members of the Department of Industry, Trade and Commerce mission are actively following up joint venture proposals in electronics, auto parts, railway and steel equipment, mining, cattle breeding, and in the forest industries.

#### Science and technology

Canadian and Mexican ministers agreed that the search for areas of fruitful exchange between Canada and Mexico in the field of science and technology should be continued and intensified. They noted with satisfaction that the program agreed to during the visit of President Echeverria to Ottawa for an exchange of young technicians had begun and is yielding encouraging results. Ministers also reviewed the possibility of establishing new direct telecommunication links, including the use of both land lines and satellites, between the two countries and agreed that exploratory discussions should be continued.

Ministers discussed their respective mineral policies and Canadian ministers renewed their invitation to the Government of Mexico to send a delegation of officials to Canada to get a better understanding of and to exchange views on the mineral policies of the two countries.

Ministers noted that following the discussions in Ottawa between President Echeverria and Prime Minister Trudeau, it had been agreed to exchange experts and information on environmental problems in the two

countries. They noted with satisfaction that further discussions have taken place and that a Canadian delegation of senior officials will shortly visit Mexico to continue this dialogue.

#### Tourism

Ministers noted with satisfaction the increased tourism between Mexico and Canada in recent years. In order to encourage an even greater flow of Canadian travellers to Mexico and of Mexican visitors to Canada, and to ease travel formalities, they agreed to set up a special committee made up of officials of the agencies concerned in the two countries. This committee is to present within three months a report on the steps that should be taken to these ends.

#### Cultural exchanges

Ministers noted the significant start which has been made in the way of cultural visits and exchanges between the two countries. They specifically remarked upon the success of several reciprocal youth programs envisaged by the first Canada/Mexico meeting and which so far have benefited a good many young Mexicans and Canadians. Ministers further agreed that final consultations should start immediately towards the conclusion of a cultural and sciences and technology agreement between the two governments. Given the importance of such exchange for a better understanding between the two countries, the ministers agreed to make all necessary efforts to intensify this action. In the field of academic exchanges, it was agreed that each government would offer this year five scholarships for advanced studies in institutions of their respective countries. For 1975, the Canadian Government has offered to increase up to ten scholarships of the same kind. These results point to the desirability of increasing the exchange program to cover new areas and to consider the feasibility of joint research programs including exchange of researchers in the field of science and technology.

\* \* \* \*