



Bulletin

Vol. 24, No. 50

December 10, 1969

THE FAO AND THE PROBLEMS OF DEVELOPMENT

The following is a partial text of an address to the fifteenth session of the Food and Agriculture Organization of the United Nations in Rome on November 11 by Canada's Minister of Agriculture, Mr. H.A. Olson:

...My Government ranks aid as one of its highest priorities. In recent years our program has grown in size, and during the current fiscal year \$338 million (Cdn) has been made available for developmental assistance. This is more than twice the amount appropriated five years ago.

As it has grown, we have renewed our efforts to increase the effectiveness of our assistance in order that it will make the greatest possible impact. As part of an overall review of Canadian foreign policy, particular attention has been paid to a comprehensive appraisal of the volume, terms and conditions of Canadian aid.

At the present time, Canada is giving full consideration to the findings of the Pearson Commission and is looking forward to the finding of the capacity study of the United Nations system undertaken by Sir Robert Jackson. These are particularly timely reports, which we hope will lead to initiatives towards new development programs.

In this connection, the FAO has been working on its development strategy for agriculture by establishing five areas of concentration. We feel this action is a useful first step in establishing guidelines for its own activities, as well as for the agricultural development programs of both donor and recipient countries. My delegation looks forward to the further discussion of the areas during the course of the Conference....

CONTENTS

The FAO and the Problems of Development.....	1
Salute to Varley.....	3
Epic Arctic Voyage Ends.....	3
Stamp Program for 1970.....	3
NORAD Realignment Announced.....	4
Canada at Peru Trade Fair.....	4
Wage Settlement Statistics.....	4
Achievement Award to Cadieux.....	5
Action Against Skyjackers.....	5
Community Antenna TV.....	5
Canadian Labor Force.....	5
Eskimo Pilots for the North.....	6

PROGRESS TOO SLOW

Even though, as pointed out in the Pearson Report, understanding of the problems of development has grown and past approaches have been modified and co-ordinated, and better results secured, I still sense a feeling of frustration and impatience among the developing countries at the slow progress to date.

This feeling is also shared by my country, when we note that, after nearly 25 years of UN effort, food production in the developing countries fails to keep pace with growth in population. Though there have been gains in recent years, as pointed out in the current report on the state of food and agriculture, we are far from having solved the imbalance between population increase and food-production growth.

On the other hand, the FAO, in other reports, has drawn attention to the renewed accumulation during the past two years in high-income countries of surplus stocks of some temperate-zone agricultural commodities - especially wheat and dairy products. It is indicated that the finding of the solution rests with the countries producing these surplus stocks - and I hasten to add that a unilateral solution benefits no one in the long run. Other FAO reports point to future surpluses of cereals in some developing nations. We have difficulty visualizing the existence of

actual cereal surpluses in developing countries, especially if they succeed in raising the nutritional levels of their own people. The definition of a surplus in a developing country needs to be more carefully spelled out.

According to the Indicative World Plan, production growth between now and 1985 will have to increase 50 percent faster than previously — an annual increase of about 4 per cent in place of the annual 2.7 percent increase in the decade up to 1966.

LIMITATIONS OF SELF-SUFFICIENCY

It is apparent that, for most developing countries, a higher degree of self-sufficiency is necessary both for food reasons and for balance-of-payment reasons. However, we should caution against an undue emphasis on self-sufficiency. It is important that the highly-populated developing countries should place high priority on agricultural development and continue to expand agricultural production. At the same time, we feel that few of the developing nations, and none of the developed, should become enamored of the virtue of producing all their food at home. It often may, in fact, be more economical to import a commodity than to devote resources to relatively inefficient domestic production. There are real differences in climate, soil and structural conditions that lead to real differences among regions in their comparative production advantage, and thus we feel that, perhaps more than most other economic activities, agriculture lends itself to trade.

We thus find ourselves in agreement with both the IWP and the Director-General when he says that developed countries "will have to reverse their own drive towards self-sufficiency in many agricultural products, and will have to considerably relax their protectionist policies". Co-operative efforts of both developing and developed countries will be needed to ensure a satisfactory growth of agricultural exports....

Our reliance on foreign markets is great (40 per cent of farm cash income compared to 15 per cent in the United States), and any measures which further impede the flow of our farm products to international markets could have serious effects on the Canadian economy and on the incomes and adjustments required of Canadian farmers. Part of our concern arises from a realization that, once efficient farmers are driven out of production, their skills are lost to agriculture and, in the long run, total world food supplies may be lowered. Indeed, it may often be the efficient farmer who leaves the industry when faced with highly-subsidized competition. The efficient farmer may have the resources to adjust; the inefficient farmer may not.

It is in this context that we view with concern the stagnation in international trade and difficulties that have arisen in international markets and which appear likely to be with us for some time unless some solutions can be found. We see a proliferation of domestic protective and support measures which

cannot help but have subsequent repercussions on trade. Surpluses are again being generated, export subsidies are widespread — even to the extent that, on occasion, the subsidy is greater than the market value of the product itself. Free access to some markets that were once open to all exporters is gradually being eroded. We in Canada have seen growing self-sufficiency in some of our traditional markets reduce the needs for our farm products; we have lost traditional markets as a result of subsidized exports from competitors; and in our own domestic market our producers of some products have been faced with market disruptions as a result of very low-priced imports, which may be subsidized too.

ROLE OF OTHER INTERNATIONAL BODIES

A similar story is, of course, not new to most of the delegates here. Attention is being directed to these problems in other international forums, such as the GATT and OECD and UNCTAD. Canada is actively participating in these efforts to gain freer access to world markets for the agricultural products of developed and developing countries alike. I should like to see a move in all countries towards producing what each can best produce. Despite increasing pressures from our own producers for added protection, Canada retains a relatively open market with restrictions on the import of only a few agricultural commodities and with a generally low tariff level. Canada has increased the value of its imports of agricultural commodities from \$813 million in 1961 to \$1,092 million in 1968, an increase of 34 per cent. During the same period, our agricultural exports increased by only 17 per cent. However, we are aware that the export problems facing developing nations are numerous. The export subsidies of the developed countries, by substantially reducing world prices, hurt not only countries like Canada but also developing countries. At the same time, developing countries should recognize that some of their own policies, such as taxing exports, have harmful effects on those countries' export sales....

For the developing countries the transformation of a traditional and largely subsistence agriculture into a dynamic, commercial farming system requires a complex of institutional, technical and economic changes, some of which may be difficult, and even unpalatable, to some sectors in these countries.

For the developed countries there continues to be a growing need to adjust policies to the market situation at home and abroad in order to bring production and market outlets into alignment. High support prices and, in turn, high food prices tend to reduce consumer demand in a country. With the deterioration of the international world market, the cost of support mechanisms to maintain prices on the domestic market is increasing, and in some cases at an accelerated rate. If appropriate measures are not taken in the near future, the imbalances are likely to grow to such an extent that the problems will be even

SALUTE TO VARLEY

The National Gallery of Canada is saluting the late Frederick Horsman Varley, considered by many critics as the most versatile member of the Group of Seven, with a small retrospective exhibition selected from its permanent collections of oils, watercolors and sketches. Though he was competent at landscapes, Varley preferred doing portraits. Nevertheless, Varley's most famous painting is the landscape "Stormy Weather, Georgian Bay", with its lone pine clinging to the rocks against the wind.



Self-portrait

Frederick Varley (1881-1969) was already a legendary figure when he died early last September at the age of 88. Born in Yorkshire, England, he remained a Yorkshireman in spirit all his life, independent and single-minded. His vitality even in his eighties led his physician to remark that "no other man of his age could live so hard and get away with it".

The Toronto photographer Peter Varley, son of the artist, estimates that his father painted or sketched about 5,000 works. Peter is at present making an inventory of his father's works with the help of a Canada Council grant. He does not expect to find more than a fraction of these works; for one thing, sketches are so often unsigned that many owners remain unaware of the artist's identity. Although Varley was convinced that his work would some day be valuable, he did not hesitate to pay his rent or buy a meal with a drawing, or to leave paintings behind when he moved. When he signed a work, it was sometimes with a thumbprint.

"He was rich only in his art," observed Arthur Lismer, a co-founder of the Group of Seven, commenting on Varley's financial status. Lismer died last March (see *Canadian Weekly Bulletin*, Vol. 24, No. 18, April 30, 1969, P. 5). The two surviving founding members of the Group are Lawren Harris, 84, of Vancouver, and A.Y. Jackson, 87, of Kleinburg, Ontario.

EPIC ARCTIC VOYAGE ENDS

Transport Minister Don Jamieson flew to Halifax recently to congratulate the crew of the icebreaker CCGS *John A. Macdonald* on their return from a historic two-month voyage through the Northwest Passage to the Alaskan oil-fields and back with the giant United States tanker *Manhattan*, which had been conducting tests to determine the size and power of ships required to make regular voyages through the difficult and dangerous Arctic waters.

The *Manhattan* visited Halifax with the *John A. Macdonald* as a gesture of gratitude for the assistance given by the icebreaker and other services rendered by the federal Department of Transport. According to Stanley B. Haas, head of Humble Oil Company's *Manhattan* tests program, satisfactory completion of the project would not have been possible without the aid of the Canadian ship and the icebreaking experience of her master, Captain Paul Fournier.

Help was also provided by the department's Meteorological Branch, which provided continuous reconnaissance from aircraft that kept the convoy informed of the ice conditions that lay ahead.

The United States Coast Guard also provided icebreaker support, but during the outward portion of the round trip of some 8,000 miles engine defects forced the American icebreaker *Northwind* to leave the convoy. The *Manhattan* and the *Macdonald* completed the crucial part of the western transit alone. The *Northwind* later was replaced by the U.S. Coast Guard icebreaker *Staten Island*.

STAMP PROGRAM FOR 1970

A change in color from orange to black for Canada's 6¢ regular-issue stamp and commemorative stamps honoring the Northwest Territories centennial and Louis Riel have been incorporated into the Canada Post Office 1970 stamp program.

The change in color for the 6¢ regular issue will be made on January 7, 1970; the issue will be available from that date. In its new color, it will have superior qualities for detection by the electronic recognition systems employed in new facer-cancelling equipment.

The design of the 1970 stamps represents the first results of the Design Advisory Committee, which has been responsible for employing several prominent Canadian artists in the designing of postage stamps.

NORAD REALIGNMENT ANNOUNCED

Following consultations between the Governments of Canada and the United States, General Seth J. McKee, Commander-in-Chief of the North American Air Defence Command, recently announced a realignment of NORAD's command and control system.

In its previous configuration, NORAD was organized into regions and divisions. The former, with their associated combat centers, were responsible for the management of North American air defence as a whole. The latter, with their associated direction centers, were responsible for the direction and operation of air defence within their designated areas.

The realignment phases out the existing command and control structure of NORAD by combining the functions of the air-defence divisions with those of the air-defence regions and establishes a total of eight regions in Canada and the United States, using command and control equipment already in place.

NEW CONTROL ARRANGEMENTS

Each of the newly-established regions has a control center capable of directing defensive weapons against air attack, as well as two back-up interceptor control (BUIC) system centers. BUIC centers and region control centers use computers to receive, process and display incoming radar data to give air-defence commanders an immediate picture of the air-traffic and air-defence situation in their areas.

Under the realignment, North Bay, Ontario, becomes headquarters for the 22nd NORAD Region, which is composed of territory formerly designated as the 37th, 41st and 42nd NORAD Divisions, and includes the Canadian Arctic, most of Eastern Canada and part of Maine, and extends west to a line running south from James Bay to Lake Huron.

The Canadian Forces will assume increased responsibility for command and control. In addition to commanding the 22nd Region, Canadian officers are being appointed as deputy-commanders in the following regions: Brigadier-General Howard A. Morrison of Winnipeg, the 21st Region; Brigadier-General G. Ross Truemmer of Arthur, Ontario, the 23rd Region; Brigadier-General William A. Garton of Boissevain, Manitoba, the 24th Region; and Brigadier-General Ralph C. Weston of Saint John, New Brunswick, the 25th Region.

Lieutenant-General Edwin M. Reyno, Halifax, is deputy commander-in-chief of the North American Air Defence Command.

CANADA AT PERU TRADE FAIR

The Minister of Industry, Trade and Commerce, Mr. Jean-Luc Pepin, represented Canada at the official opening of the Pacific International Trade Fair in Lima, Peru, on November 14, and was present for "Canada Day" at the Fair on November 17. The Fair lasts two weeks and averages more than half a

million visitors, including about 50,000 businessmen from Peru and other Latin American countries.

Twenty-seven manufacturers from Quebec, Ontario, Saskatchewan, Alberta and British Columbia are exhibiting their products in a pavilion sponsored by the Department of Industry, Trade and Commerce. The pavilion will also include displays by Canadian Pacific Air and the Royal Bank of Canada.

This is the fifth time Canada has exhibited in the Lima Biennial Fair. In 1967 "on-site" sales exceeded \$500,000, and subsequent sales brought the total for Canadian firms participating to more than \$2 million.

POP MUSIC ENTRY

The Canadian pavilion, which was built for the 1967 Fair, contains 22,000 square feet of display area and this year will be enlivened by the music of "The Marshmallow Soup Group", a quintet from Kingston, Ontario, that specializes both in "hard rock" and folk music. Recordings by the group have been featured on Peruvian radio stations for the past four weeks and are drawing considerable attention to the Canadian entries.

The Canadian exhibitors are showing a wide variety of manufactured products, including agricultural, forestry, automotive, electrical, electronic, mining, warehousing and marine equipment.

Canadian exports to Peru totalled more than \$22-million in 1968.

WAGE SETTLEMENT STATISTICS

Wage settlements through July, August and September brought an average annual base-rate increase of 7.9 per cent, according to statistics analysed by the Canada Department of Labor. Settlements in the second quarter of the year resulted in a 7.7 percent increase.

Contracts covering bargaining units of 500 employees and over, with the exclusion of all in the construction industry, are examined. There were 76 such settlements in the third quarter, affecting the wage-rates of some 197,385 employees.

The annual average increase for settlements signed during the third quarter of 1968 was 8.5 per cent.

Twenty-five of the 1969 third-quarter settlements analysed involved 39,570 employees in manufacturing, and provided base-rate increases averaging 9.3 per cent. The average increase in the second quarter was 8.7 per cent.

The 51 settlements involving 157,815 employees outside manufacturing provided for an average increase of 7.4 per cent, the same as in the second quarter.

The impact of the 76 new settlements, when taken in conjunction with the wage provisions of existing contracts, sets the annual base-rate increase at 6.6 per cent, or 15.5 cents an hour, for the 12 months ended September 30, 1969.

ACHIEVEMENT AWARD TO CADIEUX

The Prime Minister announced recently that Mr. Marcel Cadieux, Under-Secretary of State for External Affairs, had been chosen to receive the Outstanding Achievement Award of the Public Service of Canada for 1969. This award was inaugurated in 1966 as a method of honoring public servants who had made exceptional contributions to Canada. It consists of an illuminated citation and an honorarium of \$5,000, which will be presented by the Governor General on December 12.

In a letter to Mr. Cadieux, the Prime Minister said the committee's decision demonstrated "a desire to grant signal recognition of your singular contribution as a servant of the state and an example for all Canadians". "I am sure that in the Department of External Affairs, in the other departments, at all levels of the public service and in every part of the public service and in every part of Canada, all will join with me in paying tribute to you," the Prime Minister declared, noting the "happy coincidence" that Mr. Cadieux had also been awarded the 1969 Vanier Gold Medal by the Institute of Public Administration of Canada.

Past recipients of the Outstanding Achievement Award have been Dr. W.B. Lewis, Senior Vice-President of Atomic Energy of Canada Limited, in 1966; Mr. R.B. Bryce, Deputy Minister of Finance, in 1967; and Mr. Louis Rasminsky, Governor of the Bank of Canada, in 1968.

ACTION AGAINST SKYJACKERS

The Secretary of State for External Affairs, Mr. Mitchell Sharp, announced recently that Canada had deposited its instrument of ratification of the Tokyo Convention on "offences and certain other acts committed on board aircraft". This is one of several steps being taken by Canada to deal with the problem of the hijacking of aircraft. Canada is also participating in efforts by the United Nations and the International Civil Aviation Organization (ICAO) to deal with the problem.

Canada participated in the negotiation of this Convention, which was opened for signature at Tokyo on September 14, 1963, and signed by Canada on November 4, 1964.

PURPOSE OF CONVENTION

The Convention will enter into force for the first 12 states to ratify it on December 4, 1969. It will enter into force for Canada 90 days after deposit of the Canadian instrument of ratification. Its purpose is to provide an orderly system for dealing with acts endangering civilian aircraft in flight. It provides that the commander of an aircraft shall have the powers of a peace officer on board his aircraft while it is in the air.

Discussions in ICAO and in the United Nations dealing with the problem of aircraft hijacking have

emphasized the importance of the application of the Tokyo Convention as one means of preventing such crimes and of assuring the punishment of those responsible when hijacking does take place.

The Convention provides that persons committing an offence on board an aircraft may be prosecuted by the state registering the aircraft. The Convention also requires that a hijacked aircraft be returned to its operators, that the passengers and crew be permitted to continue their journey without delay, and that the person responsible for the hijacking be taken into custody by the authorities of the state in which the aircraft lands and held so that criminal or extradition proceedings may be brought against him.

COMMUNITY ANTENNA TV

Shortly to be released is the second edition of an annual series published by the Dominion Bureau of Statistics on the community-antenna television industry in Canada. A CATV station or system, as defined by DBS, receives signals from broadcasting stations and distributes them by cable to subscribers. Community antenna television is also commonly referred to as cable TV.

The CATV industry registered an increase in revenue in 1968 over the revenue of its 1967 operations. From 1967 to 1968, total operating revenue rose by 41.5 per cent, from \$22.1 million to \$31.3 million. Of the total operating revenue, monthly service charges accounted for \$27.9 million or 89.2 per cent. Operating expenses increased by \$5.9 million in 1968 from \$20.5 million to \$26.4 million, which was mainly attributable to an increase of \$1.7 million for salaries, wages and bonuses. Operating revenue exceeded these expenses, resulting in an operating profit of \$4.9 million for 1968, an increase of \$3.2 million over the operating profit earned in 1967.

CANADIAN LABOR FORCE

Employment declined seasonally during September and October. Total employment, at 7,828,000 in October, showed a drop of 19,000 from September. The number of unemployed persons increased more than seasonally, rising by 35,000 to 314,000. The labor force increased by 16,000, to 8,142,000. Compared to a year ago, the labor force was up by 147,000, or 18 per cent. Employment increased by 121,000, or 1.6 per cent. There were 26,000 more unemployed persons than a year earlier.

EMPLOYMENT

The seasonal decline in farm employment (33,000) more than offset the small increase in non-farm employment (14,000). In September and October, the largest employment gains in non-farm industries occurred in community, business and personal service (34,000) and trade (20,000). Employment in

construction declined by 26,000; there was a decrease of 17,000 in the number of persons employed in transportation, communication and other utilities. Compared to a year earlier, farm employment was down by 29,000. Employment in community, business and personal service was up by 76,000. Smaller year-over-year increases took place in manufacturing (60,000), finance, insurance, real estate (38,000), and transportation, communication and other utilities (20,000). Employment declines were reported in public administration (20,000), and construction (15,000). Regionally, the largest relative year-to-year increase in employment took place in British Columbia (6.9 per cent). This compares with gains of 1.5 per cent in Ontario and the Atlantic region and of 1.3 per cent in Quebec. Employment in the Prairie region showed little change.

UNEMPLOYMENT

Unemployment increased by 35,000 to 314,000 during September and October. The largest regional increases were in Quebec (11,000) and the Prairies (10,000). The number of unemployed persons in Canada was 26,000 larger than a year ago. Unemployment was 22,000 higher than last year in Quebec.

Of all the unemployed in October of this year, 114,000 (or 36 per cent) had been unemployed for less than one month, 36 per cent for one to three months and 28 per cent for four months or more. Unemployment in October 1969 represented 3.9 per cent of the labor force, compared to 3.6 per cent in October 1968 and 3.3 per cent in October 1967. Seasonally adjusted, the unemployment rate for Canada was 5.3 per cent in October 1969, continuing the upward movement in evidence since early in the year.

ESKIMO PILOTS FOR THE NORTH

Pilots flying in Canadian Arctic skies might soon be startled to hear the crackle of the Eskimo language over their radio receivers. Three Eskimo youths - the vanguard, the Federal Government hopes, of many residents of the North who will become aviators - have reported to the Canadian Forces Airbase at Borden, Ontario, to begin training as pilots.

Eskimo pilots are already at the controls of aircraft in Canada's Northland, but these three young men represent a special effort to bring the people of the High Arctic into the forefront of modern aviation. Under the sponsorship of the Department of

Indian Affairs and Northern Development, the three young Eskimos will undergo two years of flight training to qualify them for both fixed-wing and helicopter pilot licenses. The demand for pilots in the Yukon and Northwest Territories has increased rapidly as a result of oil and mineral exploration.

COURSE SCHEDULE

In their course at Camp Borden, the trainees will study air-frame and aero-engine mechanics. After that, they will receive on-the-job training during the summer of 1970 with Okanagan Helicopters Limited of Vancouver, which has agreed with the Federal Government to provide employment for successful graduates of the Borden program. Part of the summer will be spent in training in bush camps, supporting field parties.

The students are expected to graduate in the winter of 1971. Their training is divided into phases to enable any trainee leaving the program after successfully completing Phase One or Phase Two to qualify for a particular kind of work in the aviation industry compatible with his degree of training.

The Department of National Defence has made its training facilities available to the Eskimos at the Borden Airbase because private aviation schools in Canada have at present a large backlog of applicants waiting for admission.

The trainees are Michael Kusugak, 21, of Rankin Inlet, a former student at the University of Saskatchewan, Thomas Suluk, 19, of Eskimo Point, a Grade XII graduate, and Mark Tooktoo, 17, of Churchill, a vocational-school student.

THE FAO AND THE PROBLEMS OF DEVELOPMENT

(Continued from P. 2)

more difficult to solve after the next five to ten years....

We need to continue our efforts to formulate an effective program for the rational utilization of the important fishery resources of the world's oceans and freshwaters. Among other things, this program should provide increasingly for the dissemination of scientific and technical knowledge to those nations currently developing their fisheries. It should also promote international co-operation among all nations to assure that the yields from stocks of mutual concern are maintained in the face of rapidly-increasing exploitation....