

Canada Weekly

Volume 1, No. 8

February 28, 1973



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Oil exports to the United States controlled

Exports of crude oil to the United States will be placed temporarily under regulation by the National Energy Board, effective March 1.

In a statement to the House of Commons Committee on National Resources and Public Works on the Export of Crude Oil, the Minister of Energy, Mines and Resources, Donald S. MacDonald, said that this action by the Government had been taken on the recommendation of the National Energy Board to make sure that only oil surplus to domestic requirements would be exported to the U.S.

Since 1959, when a Royal Commission on Energy reported that oil reserves in Western Canada were plentiful enough to meet both the export and domestic requirements, oil has been exempt from export licensing.

In recent weeks, however, exports to the U.S. have been accelerated because of shortages in that country. In January, exports to the States were estimated at about 1.1 to 1.2 million barrels a day.

Mr. MacDonald's statement to the Committee follows:

I wish to advise the Committee that the Governor in Council has today approved amendments to regulations made under Part VI of the National Energy Board Act which have the effect of bringing under licence the export of crude oil and equivalent hydrocarbons, but not refined oil products, effective March 1, 1973....

This action has been taken on the recommendation of the National Energy Board and after discussions which I

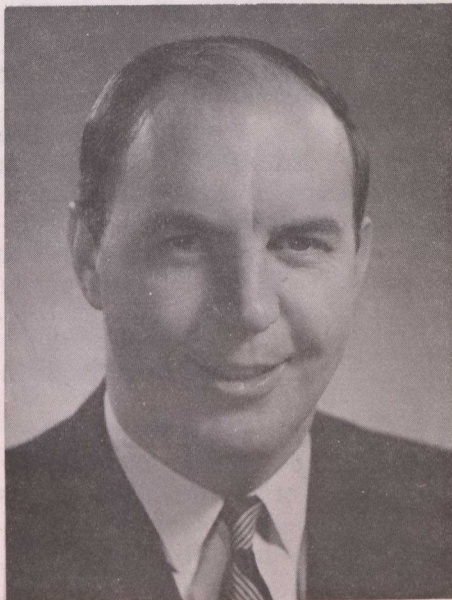
have held with provincial ministers, and industry. Today's amendments will ensure that oil exports do not exceed quantities surplus to reasonably foreseeable requirements for use in Canada.

I need hardly remind members that it is long-established national policy to export only those quantities of energy which are clearly surplus to our domestic requirements.

In regard to oil, export licensing under the Exportation of Power and Fluids and Importation of Gas Act was in force until 1959. This licensing was terminated on the recommendation of the Royal Commission on Energy which concluded that Western Canadian oil reserves were at that time more than adequate to supply foreseeable domestic and export requirements.

The power to control exports and imports of oil was, however, embodied in Part VI of the National Energy Board Act which came into effect in 1959 but, with regard to oil, the licensing provision was subject to later proclamation. Such a proclamation was made in May 1970 but the attendant regulations excluded oil other than imported motor gasoline.

The past 14 years have seen rapid growth in our oil exports, almost all of which go to the United States and are mostly in the form of refinery raw



Mr. Donald S. MacDonald, Minister of Energy, Mines and Resources.

material. This export growth has made an important contribution to the health of the Canadian oil-producing industry and to our national prosperity.

Possible shortage in March

However, recent levels of export demand for our oil have been such as to strain the capacity of our oil production and transportation systems and to threaten the continuity of supply of Canadian oil to domestic refiners dependent on such supply. Moreover, recent and prospective export-demand growth is such as to require continuous monitoring of the extent to which oil production will be available in quantities surplus to reasonably foreseeable requirements for use in Canada. In March there may be a transient problem of supply adequacy which we must be prepared to deal with, but it is now clear that the determination of exportable surplus of oil requires continuous scrutiny.

It is in these circumstances the present measures are being taken. They of course represent an important change in the mode of implementation of our national oil policy.

Today's amendments are interim in nature. The National Energy Board will shortly hold a public hearing in order to provide opportunity for interested parties to be heard as to the appropriate methods for protecting the public interest in respect of oil exports over the longer term. After such hearing, the National Energy Board will report its findings and recommendations to the Governor in Council and the regulations will be amended to the extent appropriate after opportunity to consider these matters.

Housing-start increase in January

The number of housing starts increased sharply in January, to a seasonally-adjusted annual rate of 257,300, according to preliminary figures released recently by Central Mortgage and Housing Corporation. In December, the rate stood at 213,400 units.

The actual starts in the urban areas amounted to 11,141 in January, an increase of over 18 per cent from the 9,423 figure for the same month last year.

Canada-Cuba hijacking treaty

Canada and Cuba signed an agreement in Ottawa on February 15 providing for the prosecution or return of hijackers of both aircraft and ships.

Secretary of State for External Affairs Mitchell Sharp, who signed the treaty on behalf of the Canadian Government, stated that agreement had been accomplished during the round of negotiations held in Havana earlier in February. Dr. Rene Anillo, First Vice Minister of Foreign Affairs of Cuba, who signed on behalf of the Government of the Republic of Cuba, had come to Ottawa with his delegation, for the purpose of concluding the treaty.

Inco ready to start construction in New Caledonia

In response to the French Government's request made last November for a firm commitment, the International Nickel Company of Canada, Limited has presented its timetable for the lateritic nickel project in New Caledonia, which it is prepared to start implementing immediately.

The project involves the construction of a plant to produce annually some 45 million pounds of metallic nickel and three million pounds of cobalt. It utilizes Inco's Reduction Acid Leaching Process for Laterites (IRAL).

The project represents a forward investment estimated at \$275 million. This is in addition to some \$29 million of past expenditures, of which Inco itself has spent over \$23 million. It is envisaged that other important industrial organizations will be participating in the project.

Inco's timetable leads to completion of the plant and the production of nickel during the second half of 1977. Detail design would go forward this year, and construction would begin in 1974.

The project has been specifically designed to develop the Goro orebody in the south of New Caledonia. Inco's commitment and timetable are contingent on the availability of the Goro orebody, upon which an Inco laterite project has always been based, and obtaining suitable tax exonerations

as provided by existing legislation in France and New Caledonia.

Inco expects to raise the project's annual capacity in an orderly manner to 110 million pounds of nickel, and, eventually, to 220 million pounds of nickel.

Lake ports look to Europe

A 15-member trade mission has been sent by the International Association of Great Lakes Ports (IAGLP) to Britain, Germany, Yugoslavia, Italy, the Netherlands and Belgium to encourage more shipping to use the St. Lawrence Seaway into the Great Lakes ports of Canada and the United States, according to *Canada Commerce*, a publication of the Department of Industry, Trade and Commerce.

Among the Canadians in the task force are Charles Gress of Windsor, Ontario, past president of IAGLP, Ian Brown of Toronto, the Association's secretary-treasurer, and W.H.M. Colvin, secretary of the Toronto Harbour Commissioners.

Mission objectives

The aims of the mission — the first of a series — are the reinforcement of existing trade ties and the establishment of new contacts in developing nations. It is hoped that the Great Lakes and the St. Lawrence Seaway will become household words in the world's shipping and commercial circles.

The IAGLP is the only international voice the Great Lakes ports of Canada and the United States have in common. The Association's president, F.D. Flori, says: "The coastal ports of Canada and the United States have been in business many more years than we have and that is precisely why we must move as a force to establish our position in the world."

The Great Lakes region is the largest manufacturing and commercial area in North America; the tonnage handled on the Canadian side is greater than anywhere else in Canada.

The Canadian members of the IAGLP are: the Hamilton Harbour Commissioners, Oshawa Harbour Commission, Lakehead Harbour Commission, the Toronto Harbour Commissioners and the Windsor Harbour Commission.



Jean-Pierre Rivest, Montreal Gazette

The Chief of Defence Staff, General J.A. Dextraze (right), watches the second group of Canadian military ceasefire observers leave for Vietnam on February 10. After a delay while the plane was searched because of a telephone report that a bomb was

on board (which proved to be false), eight members of the Department of External Affairs and 113 members of the Armed Forces joined the first contingent that arrived on January 29 in Vietnam, where there are now a total of 281 Canadian observers.

Federal Government signs legal aid pacts with provinces

Mr. Otto Lang, Minister of Justice and Attorney General of Canada, and Mr. Leonard Pace, Attorney General of Nova Scotia, recently concluded a federal-provincial agreement respecting legal aid in matters related to the criminal law.

Under the agreement, which is the same as those that have also been signed with Quebec, British Columbia and New Brunswick, the Federal Government will pay to Nova Scotia annually up to 50 cents *per capita* to assist the province in providing legal aid to eligible persons in need of a lawyer's services where they are charged with an offence, or subject to certain proceedings, under federal laws. Based on the population figures of June 1, 1972, this will constitute a maximum payment to Nova Scotia of about \$400,000 during the first year of the agreement.

The federal-provincial agreement ensures that legal aid will be made

available to any eligible person charged with a serious offence (punishable by way of indictment) against an Act of Parliament, or subject to proceedings under the Extradition Act or the Fugitive Offenders Act. In the case of lesser offences against a federal Act or Regulation (punishable by summary conviction) and proceedings under the Juvenile Delinquents Act, the agreement requires that legal aid be made available to any eligible person where the agency administering the provincial legal aid program believes that the accused person may suffer serious hardship if convicted. It also provides for legal aid to be made available where appeals are taken to higher courts in the above cases, and the provincial agency is required to take reasonable measures to enable an accused to obtain a lawyer without delay as soon as he has been arrested or detained.

Eligibility subject to "needs" test

The financial eligibility of a person to qualify as a recipient of legal aid is to be determined by the provincial agency, applying a flexible "needs" test, which takes into account the ability of the applicant to retain his own lawyer without going into substantial debt or being forced to sell modest necessary assets. The agency may thus authorize the payment on behalf of the applicant of all the costs of the legal services provided, or it may pay a portion of the costs, requiring the applicant to pay the balance, where he is able. The agency may not refuse a person legal aid only because he is not ordinarily resident in that province.

Choice of counsel

In cases of the most serious offences where the possible penalty for the accused is life imprisonment or capital punishment, an applicant for legal aid must be permitted to choose his own lawyer if he so desires. In all other cases, the agreement enables the province to determine the method by which legal aid is to be provided for persons charged under federal laws. "This is a very important provision in the agreement," said Mr. Lang, "for it recognizes the right of the province to choose the system of delivering legal services it deems most appropriate, while at the same time recognizing that in the most serious criminal cases, the accused should have the opportunity to retain the counsel of his choice."

The agreement, which provides that the federal Attorney General may name a member of the provincial agency to keep him informed of current developments in the provincial legal aid program, is to be reviewed as to its financial provisions at the end of three years and either party may terminate it after one year's notice in writing.

Cost of living highest ever

The consumer price index for Canada (1961=100) advanced 0.8 per cent, to 144.5 in January from 143.3 in December — the largest increase during these two months since before 1961 — contrasting with an average increase

in these two months in the preceding five years of 0.3 per cent. The major impetus to the latest month's increase was provided by food prices, which advanced 2.0 per cent. The level of prices for all items other than food rose 0.4 per cent, mainly because of a 0.8 percent advance in the housing index. The other components recording increases were tobacco and alcohol (0.4 per cent), health and personal care (0.1 per cent) and recreation and reading (9.1 per cent). On the other hand, clothing prices decreased 0.3 per cent and the transportation index declined 0.1 per cent. From January 1972 to January 1973, the all-items index advanced 5.7 per cent.

Food major contributor

The food index rose 2.0 per cent to 150.0 in January from 147.1 in December, thus recording the largest increase between these two months since before 1961. In the latest month, restaurant meal prices rose 1.1 per cent, reflecting increases in many cities. The price level of food consumed at home advanced 2.1 per cent, mainly in response to higher prices for beef, pork, eggs, fresh vegetables and milk, although all other major foods also registered increases. In the latest month, the meat, fish and poultry index advanced 3.4 per cent. Beef and pork prices increased 5.8 per cent and 2.7

per cent, respectively, with all cuts contributing to the advance. The poultry index rose 0.8 per cent as higher chicken prices outweighed lower quotations for turkey. Since January 1972, the meat, fish and poultry index advanced over 15 per cent with pork prices increasing, on average, over 28 per cent. During December and January, egg prices rose 7.8 per cent, to stand over 20 percent above their level of last year in the same period. In the latest month, the vegetable index advanced 5.4 per cent, as higher prices were registered for most fresh, frozen and canned varieties. Fruit prices rose 2.0 per cent, on average, as increases for some fresh, canned and frozen items were partly offset by declines for others. Since January 1972, the vegetable index advanced over 16 per cent and that for fruit, 11 per cent. From December to January, price increases were recorded for most dairy products. Fresh milk rose 3.1 per cent in price following increases in most Ontario cities as well as in St. John's, Calgary and Edmonton. The bakery and cereal products index increased 0.4 per cent as most items priced, including bread, corn flakes and cake mix registered advances. Since January 1972, the food index advanced 10.0 per cent, with the price of food consumed at home increasing 10.3 per cent and that for restaurant meals 7.8 per cent.

Personal tastes govern the grocery bill

The weekly grocery bills of some Canadian families can be cut in half simply by buying bargain forms of food, says Agriculture Minister Eugene Whelan.

An examination completed the first week of February showed that weekly grocery bills to feed a family of four in Ottawa varied from \$28.70 to \$69.90.

Home economists in Agriculture Canada's Food Advisory Services Section, having drawn up a balanced, nutritious diet for a week, chose the moderate, intermediate and generous methods of shopping and eating. All three menus included the same basic ingredients — poultry, beef, fruit juices and vegetables — but the type, form, processing and packing of items differed.

For example, the expensive diet included two "take-out" meals — pizza or fried chicken — while the cheaper one featured meals cooked at home.

"We are not suggesting that all Canadian families should eat the moderate menu," said Mr. Whelan. "There may be very valid reasons for a housewife to buy 'convenience' foods, partially-processed items and the more expensive forms of food. The choice is the consumer's."

"What the study does show," he went on, "is the wide latitude that exists for Canadians to eat cheaply or expensively. Even the moderate diet is not the cheapest nutritionally-adequate diet that can be bought."

Savings were made by cutting out expensive forms of meat, frozen prepared foods, out-of-season fresh fruits and vegetables, and bakery goods, and by substituting items such as skim-milk powder for fresh whole milk.

Other advances

From January 1972 to January 1973, the housing index advanced 5.3 per cent; the clothing index 3.5 per cent; the transportation index 0.8 per cent; the health-and-personal-care index 3.8 per cent; the recreation-and-reading index 3.7 per cent; the tobacco-and-alcohol index 4.3 per cent; the total commodities index 5.8 per cent and the services component 5.4 per cent.

Canadian representative to the Commission on the Status of Women

Secretary of State for External Affairs, Mitchell Sharp, has announced the nomination of Mrs. Rita Cadieux, currently Director of the Social Action



Mrs. Rita Cadieux

Branch of the Secretary of State Department, as the Canadian representative to the Commission on the Status of Women. The Commission, which meets biennially, was established by the Economic and Social Council of the United Nations, and makes recommendations to the Economic and Social Council for the promotion of women's rights to give effect to the principle that women and men should have equal rights. Canada is currently serving its second consecutive term on the Commission, having been re-elected for a four-year term at last year's fifty-second session of the Economic and Social Council.

Mrs. Cadieux succeeds Miss Sylva Gelber, Director, Women's Bureau, Department of Labour, who was Canada's representative to the Commission on the Status of Women during the past three years.

Canadian dollar will continue to float

In a statement to the House of Commons on February 13, following the announcement of the 10 percent devaluation of the United States dollar, Finance Minister John Turner stated that the Canadian dollar would continue to float "for the time being". He stated that the Secretary of the United States Treasury, Mr. George Shultz, had kept him informed of the U.S. proposals up to a short time of their being announced. Part of Mr. Turner's statement follows:

...This action should help to restore balance to the United States international-payments position. Such a restoration is a prerequisite to progress in the basic reforms of the monetary and trading system now in train. To the extent that countries whose currencies appear to have been undervalued now adjust in response to the United States action, there will be a better equilibrium in the world economy. Such a development will be beneficial from the world point of view and is welcome to Canada.

We are, of course, pleased that no measures have been taken to restrict trade. We welcome the United States undertaking to present early a comprehensive trade bill to Congress, directed to the reduction of tariffs and other restrictions, and to the expansion of trade generally.

The Canadian dollar has been float-

ing. The market has been determining its value in relation to all other currencies. Canada is now running a current-account deficit with the world and also with the United States. The changes announced by the United States do not alter the fundamental position of our currency in relation to theirs. We shall continue to float for the time being.

There is bound to be considerable activity in exchange markets in the wake of the United States devaluation. We shall be watching developments carefully and will continue to operate to maintain orderly conditions in our own exchange markets.

Crises events such as we are now passing through underscore our need to do all we can to maintain the health and competitiveness of our own manufacturing and export industries.

of which Canada is a member, was established as the result of efforts initiated by Luxembourg.

Trade between the two countries is currently running at \$9-million worth of Canadian exports and \$3-million worth of imports from Luxembourg annually.

Books presented to U.S. schools

A program of presentations of Canadian books to high schools in the United States is being instituted by the Department of External Affairs to stimulate the interest of American students in Canada and foster their understanding of Canada's past and present.

For the initial presentation this year, 200 senior high schools have been chosen throughout the U.S. and in Puerto Rico by the U.S. Council of Chief State School Officers and the Council for American Private Education, in co-operation with the U.S. National Catholic Education Association. Each school will receive a collection of 100 Canadian books, including works in English and French. Officials from the Canadian Embassy in Washington and Canadian Consulates throughout the United States and in Puerto Rico will make the presentations at formal ceremonies held at the high schools.

As part of the program, the Department of External Affairs is sponsoring an award competition for a trip to Canada. Fifteen awards will be made to those student-teacher teams that have made the most creative use of the book collection. Project entries will be judged by an independent committee of educators in Washington.

Visit to Ottawa by the Foreign Minister of Luxembourg

Foreign Minister Gaston Thorn of Luxembourg, made an official visit to Ottawa on February 19 and 20 in response to an invitation from Secretary of State for External Affairs Mitchell Sharp, who had accompanied Governor-General and Mrs. Michener on their visit to Luxembourg in April 1971.

Mr. Thorn's visit continues a series of exchanges of distinguished visitors between the two countries. In 1967, Canada welcomed one of Mr. Thorn's predecessors as Foreign Minister, Mr. Pierre Grégoire.

Canada-Luxembourg relations

Canada and Luxembourg established diplomatic relations in 1945, and the warm ties between the two countries derive in part from relations formed in the wake of two world wars, as well as the fact that Grand Duke Jean

lived in Canada during the Second World War and studied at Laval University in Quebec City.

The two countries have a number of common concerns in the area of foreign policy – support for the United Nations, participation in the North Atlantic Treaty Organization, and the search for security and reduced tensions. Luxembourg is a member of the European Economic Community, and a valued partner in Canada's efforts to establish ever closer economic and cultural ties with Western Europe. Bilingualism is another mutual characteristic – while French is Luxembourg's official language, German is also widely spoken. Both countries take part in the activities of la *Francoophonie*, both being members of the Agency for Cultural and Technical Co-operation. The Association of French-speaking Parliamentarians,

Conservation of the world's fish

Mr. Jack Davis, Minister of the Environment, speaking at a major international fisheries conference in Vancouver on February 13, warned delegates from almost 60 countries that the world had nearly reached the limit on the number of fish that could be taken from the sea.

The Technical Conference on Fishery Management and Development, sponsored by the Food and Agriculture Organization of the United Nations and

held from February 13 to 23, had eight aims – the most important being to find a way to avoid overfishing the world's seas and oceans. Also on the agenda was the future of fish-farming as a source of protein.

The increasingly efficient methods of fishing and the dwindling stocks of fish constituted the main topic on the opening day of the conference. In 1955, only 28 million tons of fish were caught; by 1971, this figure had doubled to 69 million. The FAO now estimates that the take will be 74 million by 1975 and 107 million by 1985.

“That is about the absolute outside limit,” Mr. Davis warned.

“Our scientists tell me,” he added, “we will be lucky to hit the 100 million by 1980. We may be lucky and we may be unlucky, because that may be all that the living resources of the sea can sustain. Obviously, something has to be done. Someone has to move in and draw up some ground rules. They have to look at an entire stock of fish and work out a level of cropping which can be sustained, not only year after year, but decade after decade.”

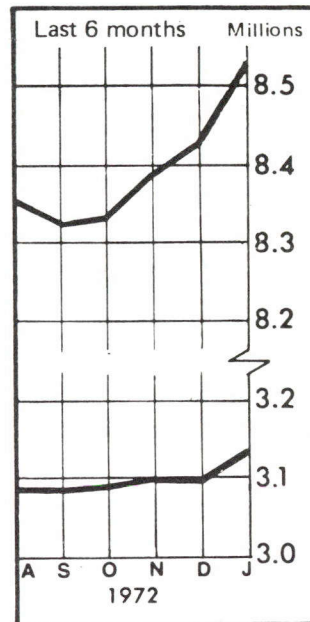
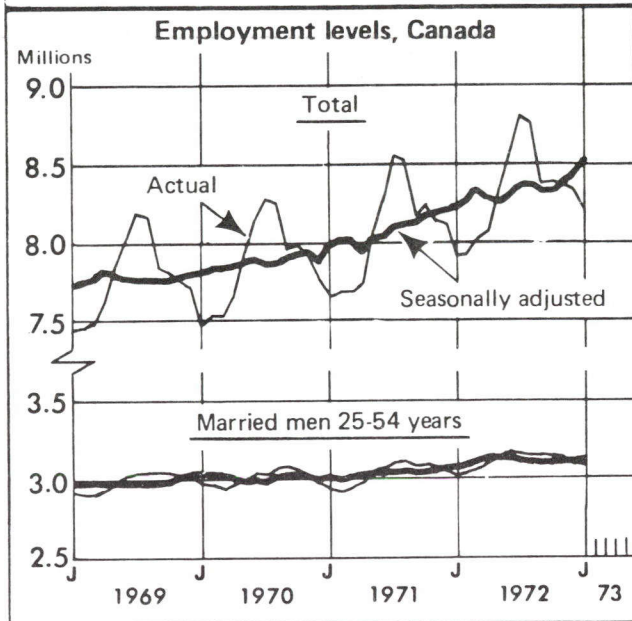
The Canadian Government hopes that the facts and statistics presented at the conference will form the basis for discussion at the Law of the Sea Conference in Geneva in November.

Canadian labour force in January

The labour force increased to 8.88 million in January 1973, from 8.58 million a year earlier and 8.34 million in January 1971. Employment increased to 8.19 million from 7.92 million and 7.67 million; unemployment to 688,000 from 665,000 and 668,000. The January unemployment rate was 7.7 per 100 in the labour force in both 1973 and 1972,

down from 8.0 in 1971.

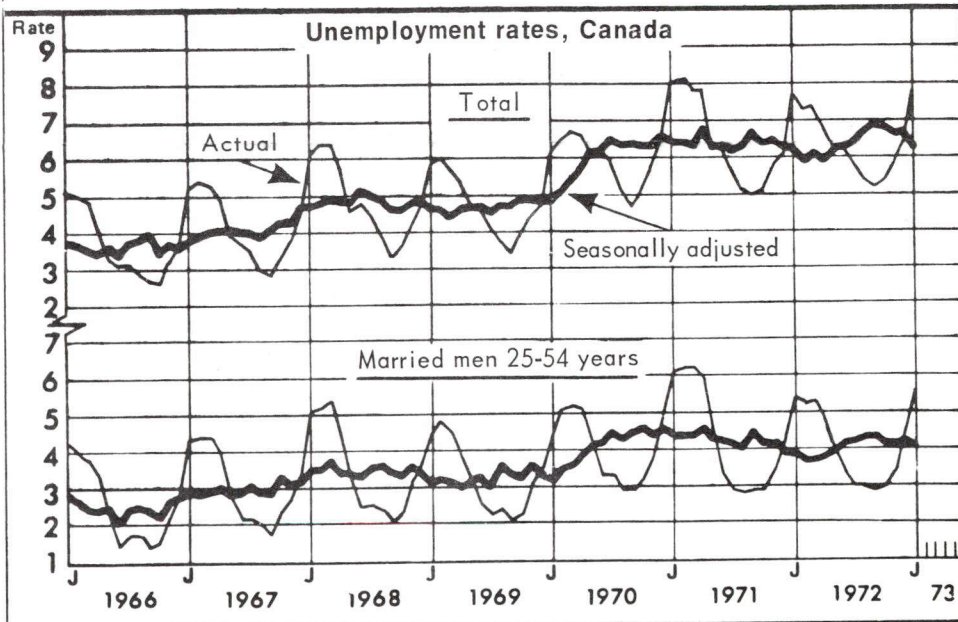
Seasonally adjusted, unemployment was lower in January (566,000) than it had been since June (555,000). The adjusted unemployment rate was 6.2 in January, compared to 6.7 in December, 6.9 in September and 6.3 in June. (As is customary in the month of January, the seasonal adjustment factor has been revised – including all above figures – to incorporate last year's seasonal pattern.)



Conference of Irish studies at McGill

McGill University will entertain the annual conference of the Canadian Association for Irish Studies, from March 21 to 25. It will be opened by the Irish Ambassador to Canada, Mr. Joseph Shields.

The program of events includes: panel discussions on topics such as “Ancient Myth and Poetry”, lectures like “Yeats: the Question of Symbolism”; poetry readings by Thomas Kinsella, who will read from his own works and others, an art exhibition at the Waddington Gallery displaying the paintings and drawings of Jack Yeats and Daniel O’Neil; and concerts.



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

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