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A FRESH LOOK AT THE ROLE OF ECOSOC

The following is a statement made on March 23 to the thirty-eighth session of the Economic and Social Council of the United Nations by the Permanent Representative of Canada and Chairman of the Canadian Delegation, Mr. Paul Tremblay:

...The review and reappraisal of the role and functions of ECOSOC now before us is one of the most important and most difficult items on our agenda this year. We have no grand plan, nor even specific proposals to offer at this stage. Indeed, I think it would be ill-judged to do so because this is a subject which, more than most, will benefit by a preliminary and frank exchange of views. Any action which may flow from our debates here must emerge as the consensus of all the representatives around this table acting in the interests of the entire organization. No such consensus will emerge if we do not first probe each other's thinking and exchange suggestions offered with no commitment beyond the belief that they might possibly point the way to constructive revision and change. It is in this sense of thinking out loud that I make the following tentative comments. They represent the accumulated impressions of a country which has followed the Council's work with intense interest since the United Nations began, but which for the past six years has witnessed its operations from the side-lines.

IMPORTANCE OF REVIEW

Every organization, every human enterprise, must stop periodically to take stock of the work it has done and the work it was set up to do. Otherwise

it runs the risk of becoming stagnant or, even worse, superfluous to the society in which it exists. The immediate need to review and reappraise the work of the Council has arisen not only because of the passage of time. To a certain extent it is an inevitable result of our collective decision to establish as an organ of the General Assembly the United Nations Conference on Trade and Development. This is perhaps the most important decision the United Nations has taken in the economic field in recent years. In our view, UNCTAD's establishment will have an effect on ECOSOC that will be profound and should be beneficial. If we do not revise ECOSOC's role and methods in the light of UNCTAD's establishment, we shall be shortsighted indeed.

A PROCESS MANY YEARS OLD

The establishment of UNCTAD is part of a process that has gone on for many years within the UN system - the creation of a series of specialized expert bodies set up to address themselves directly and expressly to those economic and social problems that seem susceptible of international solution. Starting with the Functional Commissions, we have elaborated and refined this network within the United Nations itself to include the governing bodies of the specialized assistance programmes, the Committee for Industrial Development, the Advisory Committee on Science and Technology and now - the boldest gesture to date - UNCTAD. En route, we have made periodic changes in an effort to bring this burgeoning network into some sort of logical order. The Council has recommended

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the merger of TAC and the Governing Council of the Special Fund into one Governing Council for a unified United Nations Development Programme. The Commission on International Commodity Trade recently died a graceful and essential death, its functions taken over by UNCTAD.

We have seen moreover the development of what has been called the United Nations "family of organizations" - the Specialized Agencies, which have in recent years been drawn increasingly closer to the work of the United Nations itself, to the point where we might change our terminology to speak in future of the United Nations common system of organizations.

CHANGING ROLE OF ECOSOC

All these developments - with their common theme of increasing specialization - have reflected the changing needs of a changing world. It would be surprising if these changes did not signal the need for comparable changes in the role of ECOSOC itself. It would also be surprising if the founders of the United Nations who endowed ECOSOC with its functions had been able to see in any detail the role the United Nations would be required to play in economic and social matters 20 years later. In that 20 years, we have seen the urgent need for an assault on economic and social development emerge as the priority claim on the attention of ECOSOC and all the bodies that come within its orbit. The recent debate on emerging trends in the economic and social fields has been supplanted by the more urgent need to act. This is not to say that debate has become unnecessary, but rather to suggest that it must always be regarded as a prelude to action, be that action national, regional or international. If effective action is to result, the debate which precedes it must necessarily be precise, informed and specialized - hence the establishment of specialized bodies.

As each specialized body has emerged, the Council has been able (or should have been able) to withdraw from what might be called the action debate in that particular field. The responsibilities for detailed action have been delegated to experts. This process has achieved a new level with UNCTAD; it would be absurd for 27 representatives to sit in these halls debating in all solemnity the trade requirements of the developing countries when a better-qualified and larger body had made these needs its special concern. It should be with something very like a sigh of gratitude that ECOSOC hands over its detailed responsibilities in this field. The picture in other areas is no different. This Council has neither the time nor the necessary expertise to wrestle with the detailed planning required to make social development or international acceptance of human rights a working reality.

LEGISLATIVE OBLIGATION

To say that the Council has no further detailed responsibilities in these spheres is not to say that it has no work to do. In fact, its role has become more complex and more difficult to discharge satisfactorily. In the first instance, it has a legislative obligation with respect to its Functional

Commissions and subsidiary committees; the resolutions of these bodies must be approved as decisions of the Council if they are to take effect on an international level. Speaking for my own delegation, we think this task should be discharged with considerable restraint when it comes to revising the recommended texts, and with debate which avoids the temptation of merely recording once again national positions for the record.

Secondly, there will always be areas where action is required but which do not fall readily into the terms of reference of any of the specialized bodies. These areas will necessarily come under the direct jurisdiction of the Council, which will, by consequence, play the action role. Here, too, one would hope for a firm sense of perspective. There will be those topics that, essential in themselves, will not be of major importance when we draw up the balance-sheet of progress in the development process. Conversely, in other areas it may become clear that something more is needed than an annual and necessarily curtailed debate in the Council.

These responsibilities need not, and, indeed, should not, amount to the major work of ECOSOC. But when the urgent problems have been dealt with by the specialist subsidiaries, what remains to be done apart from the necessary job of electing the members of those subsidiaries, and ironing out conflicts in the annual pattern of conferences? To us it seems that the major and crucial role for ECOSOC will come in assessing and co-ordinating the efforts of the entire international community directed towards the process of development.

CO-ORDINATING FUNCTION

Development, both economic and social, requires expertise and sustained attention. By creating specialized subsidiaries, we have gone a long way towards meeting that need. In dealing with one problem, we have, however, created another - ensuring that the specialists work within some generally-approved overall pattern without conflict or friction. If we are to make any sense of the notion of a joint effort or a common system, there must be some one body which attempts to assess the process of development in all its aspects. The job must be done, but why ECOSOC? In part because the United Nations itself, as an agency, is engaged in so many action areas directed towards the ultimate goal of development that it needs at all times to keep an eye on the nature of the forest. It is not enough to work on the theory that if you have many strong trees the forest will take care of itself. The United Nations is an agency but *not* an agency like any other, and it is the Charter responsibility of this Council to advise the United Nations about what is going on in the economic and social fields.

None of this is new. Indeed, the most significant developments in the Council's work in the past two years have taken place precisely in the field of co-ordination - the insistence on priorities and planning in the work of the Functional Commissions, the attendance of Council officers at meetings of the Administrative Committee on Co-ordination, the continuing efforts to work out a coherent and

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CANADA'S INTERNATIONAL INVESTMENT

Canada's external assets totalled \$10.3 billion at the end of 1962, an increase of \$0.6 billion over 1961. The total includes \$6.1 billion in Canadian long-term investments abroad. Contributing significantly to the growth was the greater value in Canadian dollars of assets denominated in foreign currency. Canada's gross external liabilities rose to \$28.8 billion at the end of 1962, of which \$24.7 billion represented the book value of foreign long-term investments in Canada. The rise of \$1.3 billion in 1962 was the smallest since 1955.

EXTERNAL LIABILITIES RISE

Canada's net external liabilities rose to \$18.6 billion at the end of 1962, from \$5.2 billion a decade earlier. By the end of 1964, liabilities were approaching \$32 billion, assets were about \$12 billion, and the net balance of indebtedness was about \$20 billion.

The book value of foreign long-term investments in Canada continued to rise during 1962, but at a lower rate than for some years past. From \$23,591 million at the end of 1961, it rose to \$24,729 million a year later. The increase of \$1,138 million was the smallest since 1955 and represented a lower relative rate of increase than for any year since 1948.

INVESTMENT INCREASE IN CANADA

The largest part of the increase took the form of direct investment in Canada, which rose by \$766 million. Nearly a third of this amount was invested in petroleum and natural gas, with manufacturing, mining and smelting, and financial enterprises accounting for most of the remainder. It will be recalled that, during 1962, inflows of capital for the acquisition of existing concerns in Canada were unusually large. Other long-term investments in Canada rose by \$372 million, the largest part of which was accounted for by net sales to non-residents of government and municipal bonds. There were relatively small increases in other portfolio and miscellaneous investments, with reductions in outstanding investment in a number of the industrial sectors.

U.S.-owned long-term investments in Canada accounted for 77 per cent of the total owned by all non-residents at the end of 1962. This was an increase from 76 per cent a year earlier. While direct investments owned by residents of Britain and other overseas countries rose, there was a decline in the total of portfolio investments, in which repurchases from Britain of railway stocks played an important part.

INVESTMENTS ABROAD

Direct investments abroad by Canadian companies rose from \$2,628 million at the end of 1961 to \$2,821 million at the end of 1962, and to \$3,136 million at the end of 1963. This increase of over \$500 million in a two-year period is substantially larger than for any comparable period on record, while the relative rate of increase has been exceeded in the post-war period only during the early fifties, when the total value of these investments was much smaller. A significant part of the increase must be attributed to

the greater value in Canadian dollars of assets denominated in foreign currencies. The largest increases were in investments in the United States. Canadian companies engaged in industrial and commercial activity accounted for the largest part of the growth.

IMMIGRANT ENTERPRISES

Large-scale contributions to Canada's economy by immigrants purchasing business and farming enterprises were described in a statement recently issued by Mr. J.R. Nicholson, the Minister of Citizenship and Immigration.

During 1964, the reports of field officers concerning 2,272 immigrants who had established their own businesses or purchased farms indicated a financial commitment of \$39,038,110 of which \$18,527,940 had already been paid. Members of the families owning these enterprises number 8,381. An additional 6,536 wage or salary earners supported their families on the income produced by these immigrant enterprises.

LIMITATIONS OF REPORTS

Because immigrants tend to lose contact with the Department of Citizenship and Immigration as they become integrated into Canadian communities, the reports cover only about 25 per cent of those who had established a business and 50 per cent of those investing in agriculture, officials emphasized. This was particularly true of French-speaking and English-speaking immigrants, who integrate quickly. The statistics on both French and English-speaking immigrants were, consequently, low in comparison to the real numbers self-employed or engaged in agricultural enterprise.

Mr. Nicholson also said that, from 1950 to 1964, 24,595 known immigrant owners had established their own enterprises. Their families numbered 91,295 individuals. These enterprises employed, including the owner-operators, 73,272 wage or salary earners, who in turn supported families of their own. The owners committed themselves to pay \$293,791,105 for their enterprises, of which \$147,951,820 had already been paid.

ORIGINS

Immigrants from the Netherlands and Germany continued to lead in number. The following figures show the countries of origin of the main immigrant groups:

Business	Agriculture
Germany - 2,704	Netherlands - 5,450
Netherlands - 2,130	Germany - 1,566
Italy - 1,602	United States - 691
Britain - 1,236	Poland - 363
Hungary - 785	Belgium - 362
United States - 725	Britain - 314

According to Mr. Nicholson, about 90 per cent of the immigrants establishing their own businesses or farm enterprises do so from the fifth to tenth year after their arrival in Canada. The remaining 10 per cent (those, for the most part, bringing with them sufficient funds to do so) establish businesses or purchase farms very soon after arriving.

FEDERAL EMPLOYMENT

Civilian employees of the Government of Canada, including its corporations and agencies, totalled 348,280 at the end of September 1964. Earnings of these employees aggregated \$158.2 million in September, up by 10.0 per cent from the preceding month and by 17.6 per cent from September 1963. This large gain was due to the recent salary increases granted to certain classes of employees. Cumulative gross earnings for the period January 1 - September 30 amounted to \$1,270 million, compared to \$1,216 million for the same period of 1963. Gross earnings for the first six months of the 1964-65 fiscal year totalled \$866 million.

AGENCIES AND CORPORATIONS

Agency and proprietary corporations and other agencies employed 143,455 persons at the end of September 1964, down slightly from the figure for August but up 2.8 per cent from those for September 1963. Gross earnings in September were 7.7 per cent above the August total and higher by 17.7 per cent than those of a year earlier.

Staff of departmental branches, services and corporations totalled 204,825 at the end of September. Regular earnings for this group aggregated \$79 million in the month, slightly below the preceding month but up by 5.0 per cent from a year earlier.

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ARCTIC BIRD SANCTUARY

Bylot Island, off the north coast of Baffin Island, has been declared a migratory-bird sanctuary, it was announced recently by Northern Affairs Minister Arthur Laing. Bylot Island is the principal breeding-ground of the greater snow goose, which winters in coastal waters from Chesapeake Bay to North Carolina. This bird is hunted each fall only at Cap Tourmente and vicinity, east of Quebec City, the only major stopping-place in spring and autumn between the breeding and nesting areas.

PROTECTIVE PROHIBITIONS

Mr. Laing noted that Bylot Island is near a large new iron-ore discovery on northern Baffin Island. Mineral exploration and other activities that might disturb the geese are prohibited in the sanctuary during the summer nesting season. Eskimos may still carry firearms and trap fur-bearing animals in the sanctuary. Sled dogs will be permitted on the island, but will not be allowed to run at large when migratory birds are present.

Bylot Island, some 4,200 square miles in area, is the summer home of about 60 per cent of the world's greater snow geese. It also supports large colonies of murres and kittiwakes. A permanent ice-cap covers the northern third of the island, but sedges and grasses grow luxuriantly in the southwest area occupied by the geese.

The Bylot Island sanctuary brings Canada's total sanctuary area to 43,887 square miles, of which 42,922 square miles are in the Northwest Territories. It is the fifteenth sanctuary established in Canada's Arctic.

PRIVATE AND PUBLIC INVESTMENT

Mr. Mitchell Sharp, the Minister of Trade and Commerce, recently tabled in the House of Commons a report entitled "Private and Public Investment in Canada, Outlook 1965", which summarizes the results of a recent survey of capital-spending intentions.

As outlined in this report, capital-expenditure plans for all sectors of the economy during 1965 involve outlays of \$12,305 million. Such a capital programme would set a record, exceeding by 14 per cent the \$10,827 million spent in 1964.

NEW CONSTRUCTION

Expenditures for new construction are expected to total \$8,073 million, 15 percent above the \$7,011 million spent in 1964. Most of the additional expenditure is for non-residential building construction, though outlays for house building are expected to increase by 11 per cent and those for engineering construction by 10 per cent. Plans for the purchase of machinery and equipment involve expenditures of \$4,232 million, 11 percent more than the \$3,816 million spent last year.

BUSINESS INVESTMENT

According to present plans, business investment in 1965 will exceed that of last year by \$758 million, or 12 per cent. Over half this increase is accounted for by a rising level of expenditures in manufacturing plant and equipment. Within manufacturing, much the largest part of the increase is accounted for by sharply-expanded programmes in the chemical, transportation equipment and paper industries. Construction of buildings of commercial type, particularly office buildings, hotels and facilities related to Expo '67, is expected to be much higher in 1965 and to contribute significantly to the expansion in business investment. With the completion of major projects in 1965, capital outlays for iron-ore development and for pipe-lines will be lower this year.

Expenditures for social-capital facilities are expected to be sharply higher in 1965. On the basis of present plans, total spending in this sector will be up by more than 20 per cent, including increases of 64 per cent in outlays for new university facilities and 23 per cent in outlays by provincial governments.

PROVINCIAL AND METROPOLITAN PLANS

In addition to investment plans for the country as a whole, the report provides information on capital-spending intentions in the provinces and the major metropolitan areas. All major regions of Canada are expected to have larger capital programmes in 1965. Among the individual provinces, the sharpest increases are indicated for Nova Scotia (27 per cent) and New Brunswick (21 per cent). These are followed by Quebec and Ontario, an 18 percent rise being expected in both provinces.

Mr. Sharp said that the accomplishment of the capital programme planned for 1965 would exert an important expansionary influence on the economy generally. In addition, it reflects the continuing confidence of businessmen in Canada's economic future.

AIR CANADA DECLARES PROFIT

Air Canada recorded a profit in 1964, for the eleventh time in the past 14 years, it was revealed in the Company's annual report, tabled in the House of Commons recently by Mr. J.W. Pickersgill, the Minister of Transport. The reported profit of \$1,405,575 is almost three times that achieved in 1963.

FIRST DIVIDEND IN YEARS

In addition to meeting interest payments of \$11,491,258, the airline declared a dividend for the first time since 1946. Out of the year's net earnings, Air Canada paid \$3 a share on the 50,000 outstanding \$100 par value shares of issued stock, held by the Canadian National Railways.

The Company's increased earnings, and confidence of future profits, its continued service and traffic growth and the change of name highlighted the report, made public by Air Canada's President G.R. McGregor. "The Company can look forward to substantial sales growth in all areas and continuing profits in 1965, provided the nation's economy remains buoyant as would seem to be indicated," he stated.

NEW PASSENGER LURES

The new transatlantic fares introduced in 1964, which had such a salutary effect on traffic during the last three-quarters of the year, should continue to attract increasing numbers of travellers to overseas service. Improved schedules and jet equipment on southern routes should result in major traffic increases during 1965, and with continuing domestic traffic growth, Air Canada expects to achieve another profit, in 1965, the report revealed.

CHANGES OF NAME AND SYMBOL

An Act of Parliament officially changed the name of the Company from Trans-Canada Air Lines to Air Canada effective January 1, 1965. With the change of name, the airline adopted a new corporate symbol and colour-scheme. The first of the Company's aircraft to appear in the new livery was the DC-8 that carried Queen Elizabeth from Ottawa to London, England, on October 13, after her visit to Canada. Substantial progress was made in changing documents and identification visible to the public and a programme of gradual implementation was adopted to accomplish the task of transition with a minimum of expense.

The Company is contemplating no major route extensions for the moment, but a number of possibilities are under constant review. A favourable outcome to the bilateral negotiations between the United States and Canada could result in a change for the better in this forecast, particularly if Canada is afforded deep penetration rights into the United States.

FOREIGN CADETS TRAIN IN CANADA

Canada's armed forces are at present training 109 officer cadets from Tanzania, Zambia, Nigeria, Jamaica, Denmark and Norway. In recent years students have come from Ghana, Belgium, West

Germany and Trinidad. Next year Malaysia is expected to send cadets to Canada for officer training.

NAVAL AND AIR TRAINING

The Royal Canadian Navy recently provided sea training for two officer cadets from Nigeria. Two Danish midshipmen are at present training as helicopter pilots.

The Royal Canadian Air Force is training 27 Norwegians and 54 Danes as pilots; an additional 12 Norwegians are taking an advanced pilots course. The RCAF graduated 11 pilot instructors from Nigeria last September, with three air-traffic controllers and one supply officer.

ARMY TRAINING

Eleven Tanzanians, two Zambians and one Jamaican are in Phase 2 of the Canadian Army's Officer Candidate Programme (OCP) at the corps schools of the Royal Canadian Corps of Signals and the Royal Canadian Army Pay Corps at Kingston, Ontario, of the Royal Canadian Infantry Corps, the Royal Canadian Army Service Corps and the Canadian Provost Corps at Camp Borden, Ontario, and the Royal Canadian Ordnance Corps at Montreal.

OCP training began last September, when all students took general military training, in weapons, fieldcraft, tactics and drill, at the Royal Canadian Armoured Corps School at Camp Borden. A young-officers tactics course begins in May as part of Phase 3 of OCP.

During August, on promotion to second lieutenant, the cadets will tour Canada visiting major military installations and centres of interest. This will be followed by a six-week attachment to field units of their corps as junior officers, where the OCP theory will be put to the practical test.

FIRE LOSS IN 1964

Canada's fire losses in 1964 amounted to \$146,114,160, according to preliminary figures recently released by Public Works Minister Lucien Cardin. In the same period, fires claimed the lives of 595 persons, including 250 children. The estimates were prepared by the Dominion Fire Commissioner from data supplied by provincial fire marshals and fire commissioners.

Though the preliminary fire-loss figures for 1964 are somewhat lower than those reported in 1963, there is, in the opinion of authorities, little cause for optimism, as fire losses in 1963 were the highest ever recorded. It is entirely possible that by the time final fire losses for 1964 are tabulated, a new all-time high may have been set.

INDIRECT LOSSES

The indirect loss to Canada's economy caused by loss of production and unemployment is difficult to assess, but some officials have estimated it as four to five times the direct fire loss. On this basis, it is estimated that the real fire loss in 1964 may be as high as \$750 million.

A FRESH LOOK AT THE ROLE OF ECOSOC
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comprehensive work programme for the United Nations, the compilation and codification of work completed or in progress, the efforts to come to grips with evaluation of international performance. If the Council is to develop its role in this area (and we suggest that it be looked at as the major role), we should be clear about what we mean by the word "co-ordination".

ADMINISTRATIVE CO-ORDINATION

Co-ordination is often seen as nothing more than a restraining function, the weeding out of marginal projects, the imposition of rules and procedures, the settling of jurisdictional disputes - in short, what might be called administrative co-ordination. Restraint from the centre undoubtedly has its part to play. Only at the centre, after all, is it possible to have some notion of the competing claims on resources. The limits of funds, personnel, and even time, available alone require someone, somewhere, to be in a position to reconcile these competing claims. We have all accepted this principle in our national governments; it lies at the very heart of planning and is the motive force behind the use of priorities. I do not think any of us would deny the same need for United Nations machinery.

But there is another, more vital, aspect to co-ordination - the appraisal of existing United Nations efforts with a view to identifying gaps, shifting emphasis and indicating new directions. In this sense, ECOSOC has a responsibility to serve as a focus for the thinking of the United Nations on the general questions which development poses and the policies which development demands. This aspect of co-ordination can go still further. The Council could be not only a focus for international thinking but a catalyst for international action where such action is required. In almost every case, that action will be put in train by some other body within the United Nations, a body specifically established and equipped to do the job; but the Council has a role to play in providing the stimulus.

RISK OF HAPHAZARD APPROACH

Through the very variety of specialized bodies we have set up, we may be running the risk of a haphazard approach to economic and social development.

We have redressed some inequalities but there may well be others. Are we, to take an example at random, placing sufficient emphasis on the application and adaptation of new technological developments to the needs of the developing countries? Is the United Nations system directing enough effort towards analysing the effects of demographic change? Is the current emphasis on agricultural production sufficient for the needs of self-sustained economic and social development? These are purely random examples; it may be that, in each case, no more emphasis, no change in direction, is needed at the moment. But it should be ECOSOC that keeps a watchful eye on the workings of our complex international machinery and signals the need for a drop more oil here or a bit more weight there as the need arises.

We recognize that there is some concern that a strengthened Council may intervene in the substantive work of the specialized bodies, both within the United Nations itself and within the United Nations system. There are particular fears that the Council might cut across the work of UNCTAD. In our view, the Council should not become engaged in any way in substantive operations. To use an industrial metaphor in an age of increasing industrialization, international machinery has been set up to produce certain results. It is no part of the Council's work to take over the production line. Rather its role must be to see that the machinery works smoothly, that the individual components work together, and that the end products meet the needs of the international community. The same governments represented around this table are the same governments represented in UNCTAD, in the Functional and Regional Commissions, in the standing committees, and in the Specialized Agencies of the United Nations system. Co-ordination within individual governments is our best guarantee of co-ordination on an international plane.

This role of co-ordination on the broadest of policy fronts is the role which we think the Economic and Social Council might develop for itself. It is both ambitious and difficult. Even under the most auspicious circumstances it could not be achieved overnight, or even in the course of several years. Certainly, it cannot be brought into being simply by saying this is the way matters should be handled. Nonetheless, we think it is practicable and worth trying....