



CANADA

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BUSINESS AND GOVERNMENT

The following is part of the text of a recent address by Mr. Robert H. Winters, the newly appointed Minister of Trade and Commerce, to the Board of Trade of metropolitan Toronto:

...This is an age of large-scale organization. Big labour, big business and big government each play a major role in our economy. Their decisions exert a powerful influence on our prosperity and development. It is, therefore, of prime importance that each should have a full understanding of the other's objectives and problems....

The United States has been more successful than we in using talents of businessmen in government. In part, this is attributable to the nature of their system, which is different from ours. I should like to see avenues developed and strengthened whereby the Canadian Government can bring into play more effectively the services of competent people from all segments of our society. Many U.S. companies encourage their employees to participate in public life by supporting political parties or even to seek election. Labour unions do so in Canada with vigour and some success, but the same emphasis does not often come from management. Perhaps more companies should think about this.

PRIVATE ENTERPRISE

I have often expressed the opinion that it is the role of the Government to create a salubrious climate within which dynamic and efficient private enterprise can operate with increasing productivity, under the stimulus of the profit motive. This is the essence of our economic system, from which must flow the revenues required in increasing degree for the welfare

and betterment of all our citizens. Consistent with the discharge of the Government's other basic responsibilities to the community, this conception contemplates the greatest possible freedom from government interference.

It is one of the fears of business that government is bent upon invading its domain more and more, and I am bound to say there is some evidence to support such apprehension. On the other hand, it must be recognized that in this complex and changing age, more and more is being asked of government by different groups and interests. It is a little early for me to say what this Government may wish to do or not to do in its relations with the business community. My own philosophy, however, is that the more good decisions made in boardrooms, on the factory floor and across the negotiating table, the fewer will have to be made in Cabinet chambers. To the extent that the public mind is convinced of the basic strength and purpose of present-day private enterprise and its concern for the welfare of the community as a whole, there will be less call for measures which restrict or regulate....

CANADA'S STRENGTH

I believe that the business community — management and labour — that thinks in terms of economic opportunities has more faith in the strength and future of our country than have many politicians and journalists. It would be useful if the business community would express itself more frequently on the merits of a cohesive and strong Canada. So should others of similar view. Let us have debate, but let it have more substance and balance.

As our country grows, the interdependence of the various regions is bound to increase. The fact that there are five basic areas — Atlantic, Quebec, Ontario, the Prairie Provinces and British Columbia, plus the North — all growing in strength — can be a cohesive and enriching influence in a maturing nation, so long as there is strong co-ordination and a real desire for nationhood. A strong Canada means strength for all parts of the nation....

NATIONAL ECONOMY

The state of our national economy gives every reason for confidence as we look into 1966. We have just completed our fifth straight year of solid advance. Real output rose last year by more than 6 per cent. This exceeds the rates of growth achieved by the United States and the principal countries of Western Europe. In recent months, unemployment has been reduced to less than 3½ per cent of the labour force — the lowest level since 1956.

All the indicators point to the continuation of a strong economic trend in the year ahead. The international economic climate is reinforced by sustained advance in the United States economy and the promise of stronger growth in some important overseas markets. Generally favourable prospects in foreign markets, coupled with large wheat contracts should give new impetus to export sales. On the domestic front, a further large increase in capital spending, particularly by the business community, is in prospect. Rising incomes will contribute to sustained buoyancy of consumer demand.

PRODUCTIVITY THE KEY-NOTE

These growing demands will entail continuing pressure on productive facilities in many sectors of the economy with consequent vulnerability to inflationary strains. These growing demands will entail mounting pressure on productive facilities in many sectors of the economy. To achieve continuing growth without undue inflationary strain, we must strive for the best possible application of manpower and other productive resources. Productivity should be the key-note.

In the past year a substantial increase in imports has helped to relieve demand pressures and to avoid shortages and excessive price increases. At the same time, the much sharper rise in imports than in exports has greatly reduced our surplus on merchandise trade. This reduction in our trade balance, together with a moderate rise in net payments on invisible items, has increased the deficit on total current transactions from \$433 million in 1964 to something approximating \$1 billion in 1965. This deficit has been financed by borrowings, largely from the United States....

The state of our balance on trading account is, of course, a composite of all the export and import transactions of companies and individuals throughout our country. For some firms, purchases of foreign goods far exceed their export sales while for others the reverse is true. These differences flow, to a considerable extent, from the nature of our economy and resources. What we must aim for, however, is to reduce and reverse negative balances and increase positive balances wherever possible through greater

efficiency. Every firm and every individual can help to increase productivity and improve our competitive position, thus making a contribution to a better balance in our current account.

With such great and genuine concern by Canadians about the fact that so much of our commerce and industry is carried on by companies controlled from abroad, it is particularly important that each company enlist the co-operation of its parent in this effort. Only in this way can the collective result, that shows up as the nation's trade deficit, be improved. Many companies have performed in an exemplary way but we still have a long way to go in our national efforts to bring Canada's current account deficit within more manageable limits on a continuing basis.

BOOST FOR EXPORTS

In my new capacity, I shall do everything possible to support Canadian producers in their efforts to improve their export performance. In the near future, I plan to visit our trade commissioners in Europe and to review at first hand, with our delegation in Geneva, the prospects for lowering trade barriers in the "Kennedy round" negotiations. While in Paris, I want to call on the International Bureau for Exhibitions to tell them how pleased and honoured we are to have Expo '67 in Canada. Recently, I have spent considerable time on this project reviewing progress and visiting the site. It will be the biggest exhibition of its type ever staged anywhere in the world. In addition to stimulating our trade, it will reflect to the world the best in Canadian achievement. Money spent on Expo '67 will be a good investment for Canada. I invite your interest and participation.

I regard it as imperative that Canada, as a major trading nation, should take full advantage of this opportunity to open up new outlets for our exports. I understand that, in spite of recent uncertainties, there are grounds for being more optimistic about the prospects for the "Kennedy round" negotiations. At present, it appears that the bargaining will be actively and intensively joined in the spring, with a view to completing the negotiations before the middle of 1967.

TRADE WITH COMMUNIST COUNTRIES

Increasing attention is being given to the development of our trading relations with the Soviet Union, the Eastern European countries and Communist China. There are now bilateral trade agreements with a number of these countries which have laid the basis for a substantial increase in our sales to them. They have provided a major market for Canadian wheat. Notwithstanding the special difficulties of developing trade with the state-trading countries, there should, over a time, be a significant potential for trade with these countries on an increasingly diversified basis.

It is premature to speculate at this stage on what may lie beyond the "Kennedy round". It is clear, however, that as we move forward in the freeing of channels of trade, the issues become increasingly complex and difficult. It will take all our ingenuity and that of our trading partners to

CANADA'S INDEPENDENT FOREIGN POLICY

The following is part of a speech by Mr. Paul Martin, Secretary of State for External Affairs, to the Canadian Club in Toronto on January 31:

...There are two directions from which we must approach this subject. Both are essential to a full understanding.

In the first place, I should like to establish the basic *fact* of our independence in relation to some of the world problems of the moment, because there are people who doubt it.

In the second place, I should like to explain *why* we can take an independent and useful role in world affairs and what are the *means* chosen by the Government to ensure that we can continue to do this. A nation that does not understand the conditions on which its strength and independence rest will not be able to preserve them effectively.

There are persons who ask whether we have a foreign policy centred on Canadian interests and viewpoints. I do not think they realize the extent and intensity of the work which is done to produce exactly that kind of policy. Every week, hundreds of telegrams and despatches arrive from Canadian missions abroad. Every week, scores of memoranda are prepared within my Department, or in other departments in Ottawa, recommending courses of action which best seem to meet Canadian external interests.

When our national interests and our judgment of a particular situation coincide with those of other nations, then we are quite happy to be identified with others in a common policy. Canada is a mature and responsible nation. It sees no value in difference for the sake of difference, for the simple purpose of attracting attention.

Where there are good reasons to take a stand different from that of allies or friends, we do so. This is the point which tends to be overlooked and which I accordingly stress.

The record of such independence of viewpoint is abundantly clear. In a number of situations we have taken action or urged viewpoints clearly different from those of nations with which, otherwise, we had a close identity of viewpoint. I would refer, by way of example, to trade relations with Communist nations generally, the Suez crisis of 1956, relations with Cuba, the admission of new members to the United Nations, relations with China, the situation in Indo-China, some aspects of peace keeping and the implications of common membership in NATO. Individual Canadians may agree or disagree with the decisions of the Government of the day, but they cannot justifiably deny that the decisions were Canadian ones. Our policies emerge from our own combination of interests, convictions and traditions — they are not borrowed from or imposed by others....

CANADIAN POLICY ON VIETNAM

It is sometimes alleged that Canadian policies can be independent only where United States interests are not significantly involved. Conversely, it is said that, where a major United States interest is engaged,

as it undoubtedly is in Vietnam, Canadian policy can operate only within strictly defined limitations.

To put the issue more bluntly: has Canada maintained a mind of its own on the course of developments in Vietnam?

For more than 11 years we have maintained a substantial Canadian presence there as observers. Almost a quarter of our foreign service officers — not to mention an even greater number of members of the Canadian Armed Services — have done tours of duty there with the International Control Commission. As a result of this continuing and very substantial presence, we have been able to form an accurate assessment of the issues at stake. We have not shut our eyes to violations of the Geneva Agreement which have helped to bring about the present dangerous situation in that country.

We recognize that South Vietnam has violated the Agreement by seeking and receiving military assistance principally from the United States. We also know that, long before this assistance reached its present level and long before the onset of open hostilities, North Vietnam had been deliberately violating the Agreement by organizing, assisting and encouraging activities in the South directed at the overthrow of the Government of South Vietnam.

A MINORITY REPORT

We have not only recognized this situation, we have a public and official statement about it. In June 1962, Canada and India, in a Special Report to the Co-Chairmen of the Geneva Conference, concluded that the situation in Vietnam had "shown signs of rapid deterioration". Part of the responsibility for this situation, the report goes on to say, was South Vietnam's for entering into a *de facto* military alliance with the United States and for allowing the entry into its territory of armed personnel and equipment beyond approved levels. These measures of military assistance, the South Vietnamese Government had said, were necessitated by the growing interference by the North in the internal affairs of the South. The report also concluded that there was evidence to show that North Vietnam had sent armed and unarmed personnel, equipment and supplies into the South for aggressive purposes and that the North was allowing its territory to be used for hostile actions against the South....

In February 1965, with the beginning of air strikes against the North, it was decided that the Commission should send another Special Message to the Co-Chairmen. We made repeated attempts to convince our colleagues that this, too, should be a balanced and objective report in relation to *all* the facts, and not just a partial selection of them. Nevertheless it was decided, with Canada dissenting, that the Message would deal only with the air strikes.

In dissenting, we had no doubt that these strikes had been carried out and that violations of the Agreement had taken place. We were not attempting to cover up these serious developments — the Commission could scarcely hide something which was front page news all over the world. Our concern, and

our decision to submit a minority statement, were dictated not by an attempt to whitewash our friends but by the danger of misleading world opinion about what had been going on in Vietnam. Our minority statement was accordingly cast in terms of violations on the other side of the ledger in an attempt to restore an essential balance to the Commission's judgments.

EXERCISE OF FAIR JUDGMENT

Does this demonstrate that we have departed from the standards of impartiality in this particular sphere of our foreign policy? I think not. On the contrary, I think it demonstrates just the reverse. As I suggested earlier, the exercise of impartial judgment demands a concern for accuracy and a desire not to mislead or to be misunderstood. It also demands the maintenance of the same - I repeat the same - critical standards towards both sides.

Unless one were to prejudge the issues at stake in Vietnam and to conclude that the South and the United States are totally wrong and the North wholly in the right, it is senseless to argue that Canada can demonstrate its independence of judgment only in criticism of United States policy - and in criticism of that nation alone.

There have been other instances in which Canada has had to choose a course of action when there was little unanimity among its allies about what the general Western interest required. It has always been difficult to decide, for example, to what extent trade and other relations should be developed with the Communist nations. We have taken the view, however, that trade in non-strategic goods was desirable. We have tried to develop contacts and exchanges provided the other side was prepared to deal with us on a basis of genuine reciprocity. Although we have not been prepared to support the entry of Communist China into the United Nations on the terms it has so far set, we have made it clear in our own statements of policy that we recognized the desirability of having that nation in the world organization....

I believe that it is also important to consider *why* we are able to take an active and constructive role in international affairs. Proof of a genuinely independent Canadian role is to be found as much in an examination of the fundamental circumstances of our national existence and of our diplomacy as in an indication of viewpoints on current problems....

BASIC OBJECTIVES

I believe...that there are five basic objectives which the Government must seek if we are to remain truly independent: (1) we must have military security; (2) we must have expanding economic strength; (3) we must be able to exert influence on others; (4) we must be able and willing to play a creative role in many areas of international affairs; and (5) we must maintain a basic unity at home in Canada concerning our national interest in world affairs.

The Canadian Government believes that NATO defence arrangements, and the continental arrangements which fit logically into them, provide security, which is the basis of independence. It believes that

these defence arrangements offer the partnership into which a sovereign state can enter without loss of national identity or independent viewpoint. For this reason, it has set a high priority on maintaining strength, stability and good political relations among allies.

I know that there are some Canadians who see in such arrangements only the political constraints of an alliance, only the possible dangers of undue political influence by larger members in the affairs of others. I wonder how seriously these critics have considered the overwhelming limitations on our independence and on our fruitful participation in world affairs which isolation, neutrality and military weakness would create....

U.S.-CANADA INVOLVEMENT

For Canada, of course, geography and economy facts make it inevitable that a large part of that capital should come from the United States, and that a large part of our trade should be with that nation. In entering into agreements with the United States on the Columbia River, on automotive products and on many other matters affecting economic conditions, the Government has considered the long-term economic needs of the country.

The very scale of our involvement with the United States in economic matters naturally brings some problems, along with major benefits. Some argue that, in time, economic involvement on this scale will submerge our independence.

I believe that there are some simple and effective answers to this prediction. I do not accept this type of political or economic fatalism. We shall not lose our independence in this way unless we want to. We are engaged in a process of economic development which should render us basically stronger, not weaker, both in a continental and in a world sense. Where our exposure to the much greater forces of the American economy creates particular problems for some part of our economy, we take remedial action. On the basis of friendship and mutual respect, we bargain with representatives of the United States to obtain the best conditions for our country, as they do for theirs. We have certainly not ignored other possibilities for developing our country, and our businessmen contest world markets as vigorously in competition with close friends as with anyone else.

It is important that we should see these basic conditions of an alliance and of close economic relations as being, on balance, means of fortifying our independence in world affairs, not as limitations upon it.

INFLUENCE ON OTHERS

The third basic objective I mentioned is that we must be able to exert influence on others. We should have a wide association with other nations and we should systematically cultivate friendly relations with allies and other nations as a means of developing our capacity to influence the course of events. These may appear to be obvious diplomatic objectives not necessarily related to the specific questions on independence being discussed. It is, however,

particularly important for a middle power to make such an effort if it wishes to understand and to exert its own influence upon current events....

INTERNATIONAL ROLE

We must make use of our position of military security, economic strength and wide contacts to play a creative role in world affairs, not only in our immediate interests but in the long-term interests of the world community. I believe that the number of fields in which we take a constructive role provides ample evidence not only of an independence of thought or publicly declared policy, in controversial matters, but of *action* in taking initiatives or accepting responsibilities which are not always well known. I am thinking of our role in all the major peace-keeping operations of the United Nations, in disarmament discussions, in international development aid and relief and in cultural and educational relations. Canada is accepted and welcomed by nations in many different parts of the world as a participant in important ventures. Those who ask whether we have an independent identity before the world must consider all this evidence of decision, action and participation in international affairs.

...There will never be complete agreement in the country as to the exact course of action which we should follow in any major problem of international affairs. I would hope, however, that we would agree on certain fundamental requirements in the national interest. One is that there can be only one official voice speaking for Canada on foreign policy in matters of national interest when the decisions have been made. The other — and I realize that this is a matter of judgment or degree — is that we might well agree, in view of the weight of evidence available, that Canada does have its own independent policies and its own role in world affairs and that we should concentrate rather on debating the most effective means in any given case to serve the national interest.

I have attempted...to set before you the dimensions of independence in foreign policy — the proof of it in specific international problems, the conditions on which it rests in our existence as a nation. It will be apparent that in the contemporary world independence is as many-sided as freedom itself. There is the freedom to agree as well as to disagree; the freedom to consult and not only to go it alone; the freedom to show self-restraint as well as to assert ourselves ostentatiously; the freedom to make our voice heard but also the freedom to remain silent; the freedom to assess the consequences of our acts and utterances and not to behave as though we could be entirely unmindful of the reactions of others; the freedom to recognize the facts of our geography and not to imagine that we are a detached island in space.

The objective of an independent country in the dangerous world in which we live should surely be to make the greatest possible contribution to peace and security and not merely to flaunt a hollow independence for its own sake. In the modern world, independence exists not so much to be displayed as to be used — and to be used responsibly and effectively....

JAMAICA CONFERENCE

A group of six senior officials from Canada attended a meeting recently in Kingston, Jamaica, in preparation for the proposed conference of Canada and Commonwealth Caribbean countries. Also in attendance were representatives from Jamaica, Trinidad and Tobago, Barbados, British Guiana, British Honduras, Grenada, St. Vincent, St. Lucia, Dominica, St. Kitts, Antigua, and Montserrat. The topics discussed were date, location and agenda for a full conference, at top government level, which will possibly be held later this year.

The Canadian delegation to the Kingston meeting was headed by Mr. A.E. Ritchie, Deputy Under-Secretary of State for External Affairs.

EMBASSY IN TUNIS

The Secretary of State for External Affairs, Mr. Paul Martin, announced recently that Canada plans to open an Embassy in Tunis, the capital of Tunisia, later this year. This will serve to strengthen the friendly relations that have existed between Canada and Tunisia since the latter achieved independence in 1956.

Diplomatic relations between Canada and Tunisia were first established in 1957 with the dual accreditation to Ottawa of the Tunisian Ambassador to Washington. By a similar arrangement, the Canadian Ambassador to Switzerland was appointed concurrently Ambassador to Tunis in 1961.

CANADA COUNCIL GRANTS

A recent grant from the Government has enabled the Canada Council to announce some expansion of its programmes in four areas: research, aid to university libraries, publications, and meetings and exchanges of scholars.

RESEARCH

Grants in aid of individual or group research will be available to staff members of university departments or research institutes, provided that such projects are endorsed by the institutions concerned and form part of their research programmes. Consideration will be given to assistance extending beyond one year but not, as yet, beyond three.

Subject to certain conditions and limitations, the grants will cover the salaries of research and clerical assistants, as well as costs of equipment, materials, supplies, travel and incidentals.

LIBRARY COLLECTIONS

The Council will provide assistance to university libraries for the purchase of collections essential to the pursuit of higher scholarship in the humanities and social sciences, without restriction as to fields but exclusive of current publications. Applications must come from universities maintaining active pro-

grammes of post-graduate teaching and research in the areas for which support is requested. Universities must pledge to spend no less than the amount budgeted for their library purchases, irrespective of the Council's assistance, and to spend whatever additional amount is required to ensure classification and circulation of the books provided by Council grants.

The total amount of this assistance for the coming year may reach \$500,000, depending on other demands.

The Council will continue to support learned journals that have achieved or are on the way to achieving widespread recognition. The publication of other scholarly works will continue to be assisted mainly through block grants to the Humanities Research Council of Canada and the Social Sciences Research Council of Canada.

MEETINGS AND EXCHANGES

Recognizing the need for scholars to come together to exchange experiences and to acquaint themselves with the work of their colleagues, the Council will continue to provide assistance (usually not exceeding tourist air fare) to the nominees of Canadian learned societies to participate in conferences in Canada and abroad.

It will also consider a limited number of grants for organizing and financing occasional meetings of scholars, and will assist in bringing to Canadian faculties visiting scholars of outstanding calibre who are expected to make a stimulating contribution to academic life.

THEATRES TO TOUR EUROPE

The Secretary of State for External Affairs, Mr. Paul Martin, announced recently that the Théâtre de l'Egrégore, of Montreal, would make a two-month tour of France, Belgium and Switzerland under the programme of cultural exchanges with French-speaking countries. The company will receive a grant from the Government to defray the cost of the tour, during which it will give about 40 performances in Paris, Le Havre, Bourges, Bordeaux, Marseille, Lyon, Geneva, Lauzanne and Brussels. The company will tour with two productions from its repertoire: *A Private Soldier*, by the Montreal playwright Marcel Dubé, which will alternate with a programme containing two plays, one by Arthur Kopit and the other by the Toronto playwright Stanley Mann.

FIRST SUCH VISIT

Mr. Martin emphasized that le Théâtre de l'Egrégore would be the first theatrical company from Canada to undertake a tour of this kind and, in particular, to visit French cities in the provinces as well as Paris. He said this initiative would make Canada better known in the places visited.

Mr. Martin also announced that a grant would be awarded to La Troupe de l'Atrium under the same programme to enable the company to accept an invitation from Maisons de la Culture at Le Havre, Bourges and Grenoble to present the play *He*, by Denis St. Denis, in these three cities.

U.S. TO BUILD LIBBY DAM

Mr. Paul Martin, the Secretary of State for External Affairs, recently announced that the United States Government had exercised the option given it by the Columbia River Treaty to build the Libby Dam on the Kootenai River in the United States.

In a note delivered at Ottawa, United States Ambassador W. Walton Butterworth notified the Government of Canada of his Government's intention to start construction on the project by June 30. The terms of the Treaty require that the dam be in full operation within seven years of the date specified for commencement of construction.

While the Libby Dam will be located on the Kootenai River in Montana, U.S.A., the reservoir formed by it will extend 42 miles into Canada, flooding some 13,700 acres of land in the East Kootenay Valley of British Columbia.

BENEFITS TO CANADA

Under the terms of the Treaty, which was ratified on September 16, 1964, the Government of Canada will provide the necessary reservoir area in Canada. This responsibility, including any costs involved, has in turn been accepted by the government of British Columbia through the Canada-British Columbia Agreement of July 8, 1963, and Canada, in return, will receive both substantial power and flood control benefits on the reach of the Kootenay in Canada, downstream of the Libby Dam. The regulation provided by the Libby Dam will remove the annual flood hazard from the Creston Plate farming area in British Columbia and will provide a potential gain of approximately 200,000 kw. of low-cost power on the section of river in Canada downstream of Kootenay Lake. These benefits are in addition to the power and flood control benefits resulting from other parts of the Columbia River Development for which Canada receives payments from the United States.

The total cost of the Libby project is estimated at \$352 million. It will be constructed at U.S. expense by the United State Army Corps of Engineers.

CANADA APPOINTS NEW REPRESENTATIVE AT UN

The Secretary of State for External Affairs, Mr. Paul Martin, recently announced the appointment of Mr. J. Douglas Gibson, of Toronto, as the Canadian representative on the United Nations *Ad Hoc* Committee of Financial Experts. This Committee was established by a resolution of the United Nations General Assembly adopted on December 13, 1965. The resolution requests the Committee to examine the present financial situation of the United Nations and the entire range of budgetary problems of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. The Committee is asked to submit to the twenty-first session of the General Assembly "such recommendations as it may deem appropriate, relating particularly to a better utilization of the funds available to the organizations,

a rationalization of their activities and the evaluation of a reasonable and orderly expansion, taking into account both the needs of member states and the costs they appear able to accept". On December 21, 1965, it was announced that Canada would be one of the 14 members of this Committee, the other member states being: Argentina, Brazil, France, Hungary, India, Italy, Japan, Nigeria, Senegal, U.S.S.R., U.A.R., Britain and the United States.

PROVINCES INVITED TO ILO MEET

At a recent meeting of federal and provincial ministers and deputy ministers of labour with other senior labour officials, the provinces were invited to participate in the American Regional Conference of the International Labour Organization to be held in September.

Dr. George V. Haythorne, Deputy Minister of Labour and past chairman of the governing body of the ILO, said that this would be the first time an American regional conference of the ILO had been held outside Latin America, and the first large-scale tripartite inter-American conference to be held in Canada. Some 400 delegates from the 25 nations of the Western Hemisphere members of the ILO are expected to attend the conference.

CONFERENCE AGENDA

The general theme of the conference will be the interrelation of social policy and economic development in the Americas, with special emphasis on the social aspects of measures for fuller economic integration, notably the improvement of Labour conditions. Manpower planning and employment policy in economic development, the role of social security and improved living and working standards in social and economic development will also be discussed.

During the conference there will be opportunities for the demonstration of Canadian policies and techniques, to indicate how Canada is dealing with the problems under discussion, at both federal and provincial levels.

NEW SHIPBUILDING SUBSIDIES

On February 2, 1965, the Minister of Transport announced the establishment of an interdepartmental committee to review the policy of assistance to shipbuilders. After consideration of its findings, the Government decided to introduce a revised programme of assistance to the industry.

The programme is designed to help increase efficiency to the point where shipbuilding will require no more help than that given similar industries. The Government is convinced that this can be done without serious disruption of activity or employment. The building of ships has reached record levels in recent years, and the outlook for the next five years is favourable.

SUBSIDY PAYMENTS

The Government intends to resume subsidy payments on ship construction at a level of 25 per cent for a period of three years effective January 1, 1966. This amount will be reduced by two percentage points annually until a subsidy level of 17 per cent is reached in 1972 - roughly the equivalent of a 20 percent protective tariff. The new subsidy rate will not apply to ships built for the federal or provincial governments or floating structures not considered to be vessels in the orthodox sense. The current rate of 50 per cent for fishing vessels will be continued.

At the same time as the introduction of the new subsidy rate, the "Canadian content" requirement in the administration of the subsidy is to be withdrawn to enable the industry to take advantage of the free entry provided under the Canadian tariff for various items used in shipbuilding. At the same time, the Ship Construction Drawback Regulations, which permit drawback of 99 per cent of customs duties paid on imported goods used in the original construction of ships, are to be withdrawn, except where they apply on military equipment. These regulations were introduced when Canada's narrow industrial base made it difficult for the shipbuilding industry to find domestic sources; this is no longer the case.

NATIONAL PARKS MORE POPULAR

The National and Historic Resources Branch, Department of Northern Affairs, reports an increase of nearly 16 per cent in the number of campers in Canada's national parks during the 1965 season. The report also shows an increase of nearly 10 per cent in the number of camping days.

BIGGEST INCREASES

Newfoundland's Terra Nova National Park (153 square miles), the latest addition to Canada's park system, reported the largest increase, the number of campers having jumped from the 1964 total of 7,526 to 12,730 in 1965 (69 per cent). Kootenay National Park (543 square miles), British Columbia, reported the next highest increase - nearly 20 per cent over the figure for 1964.

National parks in Canada cover a total land area of nearly 30,000 square miles - that is, about one acre for every Canadian.

The parks with the largest number of campers were Banff, Alberta, where 322,728 campers unrolled their sleeping bags in 1965, and Jasper, Alberta, where 117,439 campers were recorded during the 1965 season.

SERVICES PREFERRED

Camping facilities in the national parks range from the elaborate (hot and cold showers and automatic laundry facilities) to the primitive. Though many campers prefer either the fully-serviced or the primitive campsites, the semi-serviced campgrounds, which

have simple cooking facilities but are without hot water or electricity, also attract a large number of campers.

Camping in national parks has increased at an average annual rate of 10 per cent over the last 15 years.

BUSINESS AND GOVERNMENT

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devise suitable approaches and techniques to solve the problems that will arise. In this situation, close and continuing consultation between government and business is particularly important. Businessmen who have been following the evolution of the world trading system will already be considering how best to gear their operations to the trends which are now in evidence.

I intend to keep in close touch with businessmen on these matters and I invite you to give the Government the benefit of your advice and guidance. I wish to encourage a continuing exchange of information and ideas. The full use of the services of the Department are available to you in searching out and taking hold of the opportunities for new export business. Our energies, resources and experience are at your disposal in this task. Trade and Commerce has been in the business of promoting exports for over 70 years. Its efficient and well-staffed foreign service covers every important market for Canadian goods. The interest and active support of the business community has enabled the Department to develop a variety of programmes designed to give greater thrust to our export effort.

TRADE FAIRS AND MISSIONS

Over 250 firms are taking part in trade fairs sponsored by the Department this fiscal year. Canadian goods are being shown at 38 fairs in eight different countries. A broad range of products is included - from housewares to electronic and nuclear equipment and from sporting goods to machine tools. Here is concrete evidence that Canada has come of age as an exporter of manufactured goods.

The Department's outgoing trade missions this fiscal year are spanning some 30 countries on all the continents. In addition, 90 visitors from Europe, the Caribbean, Malaysia and Japan are being brought to Canada to take a first-hand look at our export capabilities. Often these missions not only give our visitors a new appreciation of Canada as a source of supply but also lead to firm export orders....

Smaller firms are sometimes reluctant to tackle export markets because they feel there are special difficulties associated with foreign trade. To overcome this problem, the Department has helped to develop a basic course in exporting, in co-operation with the Department of Labour, and is now working on an advanced course which will be tested out towards the end of this year.

...Two new trade commissioner offices are to be opened this year. One of these will be in San Francisco. The location of the other is currently under consideration on the basis of the trade prospects in various market areas. The Department's network of regional offices within Canada is also to be further strengthened during 1966. In addition, there are plans to expand the trade fairs and trade missions programmes. These, and other steps should enable the Department to do a better job for the Canadian exporters and contribute to a further improvement in Canada's export performance....