

Canada Weekly

Volume 2, No. 50

December 11, 1974



Ottawa, Canada.

CAI EAS
C18
Dec 11/74
c.2.

Current state of Canadian trade and outlook for the future, 1

James Bay hydro project – agreement in principle, 3

Montreal Military and Maritime Museum open all year, 3

November madness – or football time in Canada, 4

Montreal wins Grey Cup, 4

Visit of the Prime Minister of Iran, 4

New program to aid developing countries, 4

Kings's Landing, N.B., restored as historic village, 5

Canadian travel films presented to State of Nevada, 6

Computer curbs potato blight, 6

Current state of Canadian trade and outlook for the future

On October 29, the day following his return from Brazil, Industry, Trade and Commerce Minister Alastair Gillespie stated that he was looking forward to Canadian exports of goods and services to that country "topping \$400 million this year – a doubling of the trade over last year – and a doubling of this \$400-million figure over the next four or five years".

In an address to the Canadian Export Association's annual meeting, the Minister went on to describe the current state of trade and his hopes for the future:

...For the year to date, it looks good. Our exports are running about 26 per cent ahead of the same period last year – for the first eight months, that is. We project a new record total for the full year of \$31 billion – this will be well ahead of last year's record of \$25 billion.

* * * *

Exports to the U.S. and Britain are up by just 22 per cent in the first eight months. But our exports to Japan are running 39 per cent ahead of last year. We're up by 34 per cent on exports to Commonwealth countries – by 42 per cent to the Common Market Countries – to Latin America by 58 per cent – and to Brazil alone, the increase is more than 200 per cent.

There is also another way of looking at these figures. What do they mean in terms of our efforts to diversify our trade? It wasn't too long ago that we looked to the United States to take upwards of 70 per cent of our exports. Last year this percentage was about 68 per cent. For the first eight months of this year it is down again, to 66 per cent, even though our absolute value of exports is up.

I don't want to mislead anybody. These are value figures which reflect a substantial increase in prices received for Canadian exports. Nevertheless, it's an excellent performance in present conditions.

We realize, of course, that there are difficulties, largely in automobiles and lumber. Sales of cars and trucks have held up remarkably well in Canada in spite of the energy crisis. Such, however, is not the case in the United States, where our automotive exports have fallen off.

We have had a forest-products mission

here from the EEC. Members of the mission, from five member countries, have crossed Canada to see what we are doing – and assess what we can do in the way of providing an assured supply of forest products. Members of the group were fully briefed on our objective of increasing the degree of processing in Canada of our resource exports. We are confident that they were impressed with what they saw and that our exports will increase as a result.

Imports

Meanwhile...our imports have been rising again this year – to the end of eight months they are up by 34 per cent.

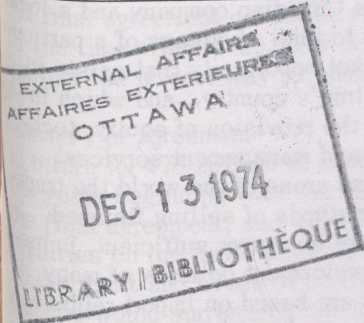
Thus our commodity trade surplus has narrowed – to \$460 million so far this year, compared with \$1,277 billion for the same period last year. I expect, however, that there will be further additions to our commodity trade surplus. Seasonally adjusted data to date suggest the surplus for the year will be in the neighbourhood of \$1 billion.

Outlook for exports

What about that other important question – what are our prospects for increasing trade next year?

Naturally a major trading country like Canada cannot hope to pass unscathed through the current difficult international economic situation... It is probable that the economies and buying power of principal markets will be somewhat subdued during the coming year. Even so, I am sure that, in value terms, Canada's exports will continue to rise.

The Government will continue to exploit methods of pushing for greater



exports and for new techniques, and I am sure that Canadian exporters will too.

The Prime Minister has taken our trading message to Europe just this past week. I have led missions to Brazil, Mexico and the Middle East this year. And I am encouraged by what we have seen.

I said when I returned from Mexico that there is a billion-dollar market for Canadian goods and services. After the Middle East mission I estimated that Canadians could sell \$2-billion worth in this market. And I mean it.

We have been doing much follow-up work on these missions. Trade commissioners have travelled all across Canada spreading the gospel. I hope that in the near future we will be able to begin negotiating trade agreements with Iraq, Iran and Saudi Arabia. The agreements will facilitate continuing high-level consultations on matters of mutual concern through joint commissions.

We have already signed \$100 million in sales contracts with Mexico as a result of our mission in February. We are intensifying our bilateral talks with this country to ensure Canadian participation in developments in electric power, agriculture, transportation and other areas.

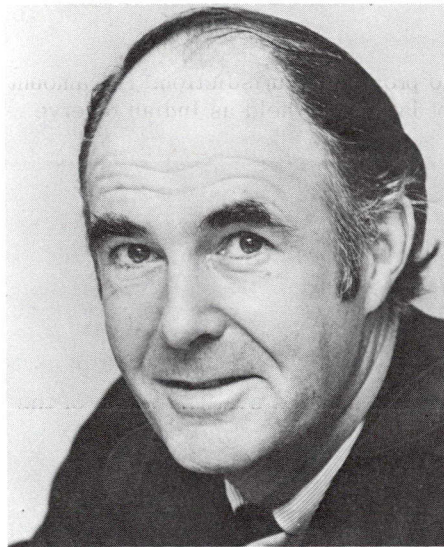
We are continuing our work in the Common Market. We are spending more than one-third of the Department's trade fairs and missions budget in Europe next year. More than one-third of our trade-commissioner strength abroad is in Europe.

We are seeking better market access to the enlarged EEC. We are negotiating to sort out the balance of GATT obligations in light of the accession of Britain, Denmark and Ireland to the EC.

You are aware that the Prime Minister spoke with French authorities last week. Their discussions resulted in decisions which put much greater emphasis on the need for expanded trade between Canada and France.

To this end, two working groups have been formed. They will seek to identify opportunities for increased relations on energy and in the industrial sector generally...on the industrial side, the first area to be investigated will be the transportation sector.

It was also agreed that ministers from



Alastair Gillespie, Minister of Industry, Trade and Commerce.

both sides should preside over the next meeting of the Canada/France Joint Economic Committee. This meeting will be held in Ottawa early next year. It will be particularly concerned with questions relating to the expansion of our bilateral trade.

In Brussels, the Prime Minister had very useful talks with the President and other members of the Commission of the European Economic Community. Both sides agreed that the time had come to take concrete steps to strengthen the links between Canada and the Community. They also agreed to begin exploratory talks in the near future on the nature and scope of negotiations intended to define the form and content of the relationship between them.

We have identified market prospects in Eastern Europe. Here again, much remains to be done to convince the buying organizations of these countries that Canadian technology, engineering and contracting are the best.

We are optimistic about future trade with Japan. Prime Minister Tanaka said when he was in Canada last month that the Japanese market is open for fabricated products as well as raw materials. We'll accept this as an invitation to step up our promotional efforts on behalf of manufactured goods exporters.

Trade with U.S.

Even with all this effort to diversify our markets we are not overlooking our

old friends in the United States. They're still our best customer. But we want them to take more of our end products — our manufactured goods. Yet our exports of these end products to the U.S. are declining as a proportion of our total trade with that country. And this at a time when there is a ready market available in the U.S. for such products.

...We must correct this trend. I am concerned, for instance, that the Canadian automotive companies should invest more in Canada. I told the presidents of the Canadian companies this summer that they should invest in Canada — invest at a rate that will ensure Canadian production will grow to match the increase in sales opportunities in Canada, the United States and in third countries.

* * * *

Joint ventures

A new trading opportunity for the enterprising Canadian exporter, both in traditional markets and newer markets, is the joint venture. We consider a joint venture to be an arrangement between a Canadian company and a local partner to take advantage of a particular market opportunity that exists in the partner's country...and which involves the provision of equity, technology and management services.

In some areas of the world the traditional methods of selling finished goods are no longer sufficient. Industrial development policies of many nations are based on import replacement. So much so that joint venturing is the only way to pursue certain kinds of business in these countries.

The Government feels that joint ventures will give assurance of our long-term commitment to the economic welfare of the partner countries. At the same time we will strengthen and broaden relations between Canadian and overseas business communities.

* * * *

An excellent example of a successful joint venture is one undertaken by McMillan Bloedel for lumbering operations in Malaysia and Indonesia. The Canadian firm joined in this venture with Jardine Matheson of Hong Kong, local state Government and private interests in the countries involved.

* * * *

James Bay hydro project – agreement in principle

Compensation of \$150 million will be paid to native people of the James Bay area under the terms of an agreement signed on November 15 by the Federal Government, the Quebec government, the James Bay Cree Indians and the Inuit (Eskimos) of Quebec.

The agreement in principle, which provides for completion of negotiations by November 1, 1975, allows the James Bay Energy Corporation to construct Quebec Hydro's power development project without threat of further legal action by the native people (see issues of *Canada Weekly* dated November 28, December 5, 1973 and January 9, 1974).

The mammoth program, now estimated at \$12 billion, involves the diversion of three rivers, construction of four dams, power-houses, three airports and 600 miles of highway to harness the energy of La Grande River flowing into James Bay. The native people objected on the grounds that it was damaging the ecology, curtailing their hunting and fishing sources and violating property rights.

If final agreement cannot be reached by the time stipulated, legal action against the project may recommence.

Summary of agreement

In return for \$75 million in cash over ten years beginning with the signing of the final agreement, and \$75 million in royalties on the hydro project, some 10,000 Inuit and Crees of northern Quebec would surrender their interest to some 400,000 square miles of land – roughly all of Quebec north of the 52nd parallel, plus a portion lying between the 49th and 52nd parallels.

Canada is contributing \$32.75 million of the \$75-million cash settlement on the basis that it is in part responsible for compensating the native people for the extinguishment of their interests in that area of Quebec ceded to the province by the 1898 Boundaries Extension Act.

Contemplated in the agreement in principle is a final settlement that will include:

Land – 5,250 square miles (Category I lands) will be given to the native people, of which 1,274 square miles will be Indian reserve land and the remaining lands will be held under some form of community ownership, subject

to provincial jurisdiction. The amount of land to be held as Indian reserve land is based on 640 acres for a family of five – this amount relates to the treaties.

Another 60,000 square miles will be granted as exclusive hunting, fishing and trapping areas for native people (Category II lands).

Native people will have exclusive trapping rights and exclusive use of certain species over the whole of the territory outside of Category I and Category II lands.

Hunting and fishing – In addition to exclusive use of certain species and certain lands, native people will participate equally with government representatives in administering and controlling a hunting, fishing and trapping policy through a co-ordinating committee.

Compensation – In addition to the \$150 million mentioned above, which will be tax free, native people will receive 25 per cent of the royalties on any development begun in the territory within 50 years of the date of settlement. This latter payment would continue for 20 years in respect of each development.

The province retains mineral and subsurface rights, but must negotiate compensation for any development on Category I lands.

A program is contemplated by the province to ensure an annual minimum income for those who wish to continue hunting, fishing and trapping as a way of life.

Temporary injunction overturned

The Quebec Court of Appeal on November 21 overturned a temporary injunction granted November 15, 1973 to halt the James Bay hydroelectric power project. The injunction had been suspended to allow work to continue while further judgment was being sought by the developers.

The November 21 judgment, which followed the signing of the agreement in principle by the parties involved, stated that the temporary injunction was not legally justified owing to lack of proof that the native people held clear rights to the territory they claimed.

Programs – Federal and provincial programs and funding, and the obligations of the federal and provincial governments, will continue to apply to the natives, subject to criteria established from time to time for the application of such programs.

Local government – Local and regional governments will be controlled by the native people, who will be given additional responsibilities for programs.

Native development and economic measures – The native people will have priority regarding certain project contracts. The Quebec government will also finance programs of job training, placement services, economic development of the trapping industry and tourist facilities.

Future development and environmental protection – It is contemplated that the final settlement will provide statements on the effect of the environment on any future developments in the territory with native participation in the decision-making process about whether projects should go ahead and under what conditions.

In addition to these terms, which relate to the extinguishment of native title in the territory, it is contemplated in the agreement that extensive modifications and remedial measures to the Hydro project will be made, estimated at more than \$200 million, to minimize as much as possible the impact on native communities and the native way of life.

Montreal Military and Maritime Museum open all year

Montreal Military and Maritime Museum, built between 1820 and 1824, will stay open all year because of the installation of a new heating system located in the Old Fort on St. Helen's Island, Montreal.

Winter plans include two special exhibits. One is a unique collection of firearms, including guns and related artifacts from all over the world. Others, made in Canada, were used by the military and for hunting.

The other is a large collection of swords on loan from John Woodman Higgins Armoury Museum in Worcester, Massachusetts.

This well-known collection illustrates a comprehensive history of edged weapons since the time of the Roman Empire.

November madness — or football time in Canada

The following article by Bruce West appears in the book *Glimpses of Canada*, published by Canadian Scene and distributed by Scholar's Choice, Stratford, Ontario. (\$2.95 paperback.)

Early in November, every year, a large part of the Canadian population undergoes a peculiar change. People grab nervously for the morning newspaper and turn eagerly to the sports pages. They talk a strange gibberish with phrases such as "screen pass", "five-four-three defence", and "quarterback sneak". They draw geometric patterns on restaurant tablecloths. They suddenly become friendly with complete strangers.

Fever symptoms

This is a Canadian phenomenon known as Grey Cup fever. It is particularly prevalent in and around Toronto, Ottawa, Hamilton, Montreal, Winnipeg, Calgary, Regina, Edmonton and Vancouver. The symptoms are restlessness, high colour and a tendency to get into arguments. Temperature, blood pressure and nervousness reach a high point late in November, when they are suddenly replaced by headaches and a desire by the patients to be left alone.

Thousands of years from now, the archaeologists of a new civilization will find in the rubbles of our cities such mementoes as buttons and pen-nants with strange insignia on them, and flat 13-ounce bottles, and will ponder the November madness that annually gripped an otherwise sensible nation.

November is football time in Canada, and on the last weekend of the month or early in December a team from Western Canada will meet a team from the East in some huge stadium before a deliriously screaming crowd. The winner will be proclaimed champion and be given custody of a battered old mug known as the Grey Cup, named after the original donor, the aristocratic Earl Grey, who was Governor General of Canada from 1904 to 1911.

This piece of silverware, which is worth probably \$30, is somehow symbolic of the spirit which holds Canada together. Serious historians will likely scoff at this, but there are more foot-

Montreal wins Grey Cup

The Montreal Alouettes beat the Edmonton Eskimos by 20-7 in Vancouver on November 24 to win the 1974 Grey Cup.

In the Eastern Conference semi-final, Montreal had defeated the Ottawa Rough Riders, last year's Grey Cup winners, by 13-4. And in the Western Conference, Edmonton had beaten the Saskatchewan Roughriders by 30-27 in Edmonton.

ball-ticket buyers than there are serious historians. And the people of Eastern Canada and Western Canada have come to know and understand each other a lot better simply because of this annual get-together for a 60-minute football game.

Rugby origin

Football in Canada is an offshoot of the English game of rugby, but it more closely resembles the American game of football. In fact, most of our football stars are imported Americans. To the uninitiated, the game is complicated and incomprehensible, and for this reason many newcomers fail at first to see what all the excitement is about. But most people, sooner or later, fall prey to Canada's "November madness".

East-West battle

Canadian football is big business, with players earning salaries as high as corporation presidents. The Canadian Football League is divided into two wings, called "conferences". The Western Conference has five cities, Winnipeg, Regina, Calgary, Edmonton and Vancouver. The Eastern Conference is made up of Montreal, Ottawa, Toronto and Hamilton. The annual contest for the Grey Cup is between the champion of the Western Conference pitted against the Eastern champion.

It is the biggest sporting event of the year, but it is more than that. The fact that the game brings thousands of westerners to some Ontario city or Montreal, or brings thousands of easterners to some western city, does something tangible towards breaking down old barriers of suspicion and helping the provinces to understand each other.

Visit of the Prime Minister of Iran

Prime Minister Amir-Abbas Hoveyda, of Iran, is visiting Canada from December 9 to 14, during which, in addition to meetings in Ottawa with Prime Minister Trudeau and other federal ministers, he will make several calls on provincial and civic leaders in Ontario and Quebec.

This visit, which marks the first occasion an Iranian prime minister has visited Canada officially, highlights the rapid growth in importance of Iran-Canada relations, particularly on trade and economic matters.

Prime Minister Trudeau paid a brief visit to Iran in January 1971.

New program to aid developing countries

A higher education co-operation plan to enable Canadian universities to assume a more active role in the expansion of research work in developing countries has been endorsed by the Association of Universities and Colleges of Canada and the Canadian International Development Agency.

The plan will enable Canadian researchers to co-operate more fully in the development of indigenous research capability, particularly in the "practical" or "applied" research fields, in Third World countries. Overseas researchers will thus be directly involved in the research projects, which should be better suited to meet the needs of these countries.

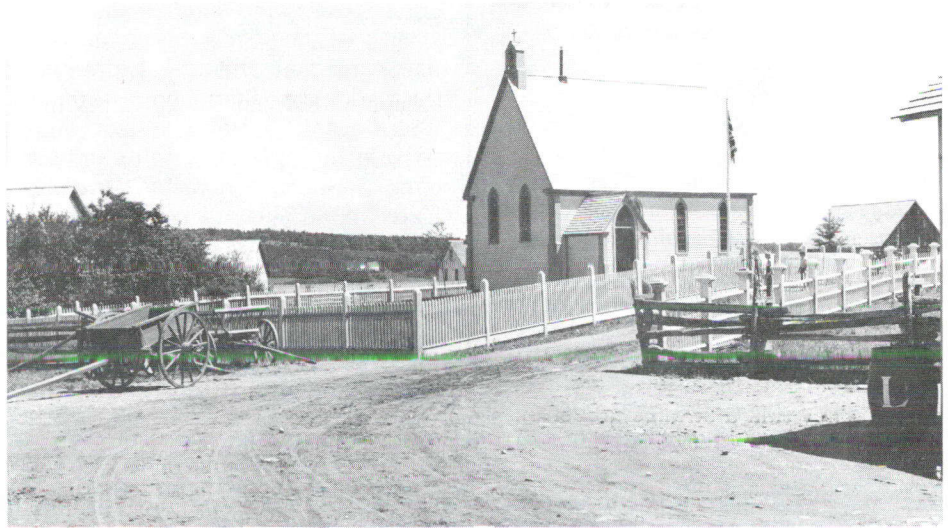
CIDA has set up a provisional advisory council to co-ordinate the program, which is expected to get under way this year. The council's main functions will be to assist CIDA on projects requiring development of research capabilities and to determine how Canadian universities could provide the required assistance. The council will be composed of representatives of CIDA, the AUCC, the International Development Research Centre, the Association of Canadian Community Colleges and the Canada Council. Another source of expertise that may be available to developing countries for short-term assignments are professors taking sabbatical leave.

Kings's Landing, N.B., restored as historic village

A visit to King's Landing Village, 23 miles northwest of Fredericton, New Brunswick, is literally a step into history. Suddenly, you are living in the early nineteenth century, surrounded by buildings meticulously restored and inhabited by families dressed in the clothing and doing the chores of their forebears.

The establishment of this historical settlement has been done under a series of agreements between the governments of Canada and New Brunswick. To date, the Department of Regional Economic Expansion (DREE) has contributed some \$3.5 million to the costs of development and the job isn't finished yet. Over the next three years, it is proposed that an authentic nineteenth century sawmill and gristmill will be constructed, the interiors of a number of houses will be completed and an improved access from the Trans Canada Highway will be built.

The building of King's Landing has



employed an average of 50 persons year-round for the past seven years, with the staff more than doubling during the tourist season. Many have an opportunity to develop skills in furniture and building restoration, masonry, and such almost-forgotten arts as spinning, weaving, dyeing, iron-working and slating.

Provincial asset

A spokesman for the New Brunswick Historical Resources Administration, the implementation agency for the project, said at the official opening last summer: "King's Landing is one of the most important educational and economic assets in the province. It provides students with an unrivalled opportunity to see the past living in the present, and attracts many thousands of visitors every year, thus helping to keep tourists in New Brunswick."

King's Landing never actually existed as a community. It is made up largely of buildings salvaged from the area now known as the Mactaquac Headpond, before the opening of the Mactaquac Dam on the Saint John River created this 90 miles of man-made lake.

Period pictures

To give a comprehensive picture of life in the Saint John River Valley between 1790 and 1870, some 11 dwellings, an inn, store, school, church, community hall and blacksmith shop, plus two period farms and a dozen gardens are on the 300-acre site. The buildings contain literally tens of thousands of artifacts, all identified, researched and restored.

Though it is still not completed, King's Landing has been open to the public for the past three seasons and the number of visitors has far exceeded expectations. The "natives" appear happy and friendly as they go about their daily duties — using the tools, furniture, equipment and even the same type food as did the original inhabitants.

(From October '74 issue of Telescope, a publication of DREE.)



Canadian travel films presented to State of Nevada

Canada's Consul General in San Francisco, Dr. Robert Adams, and Nevada's Governor Mike O'Callaghan were honoured guests, in mid-October, at the annual meeting of the Nevada Library Association in the historic silver-mining community of Tonopah, Nevada.

Dr. Adams was there to present a collection of 40 Canadian travel films to the newly-organized Nevada Library Media Cooperative. The films, which are intended to acquaint prospective visitors with Canada's vacation attractions, will be circulated through public libraries in Nevada and may be borrowed, free, by film users. Similar films are available in almost 400 other communities in the United States through the facilities of the Canadian Government's Travel Film Library.

In making the formal presentation of the prints to Nevada's State Librarian, Dr. Adams noted that a collection of 100 Canadian books had also been donated that same week to the high school in Nevada's capital, Carson City. Canadian book collections, Dr. Adams said, were being made this year to some 200 high schools throughout the United States.

The Canadian Consul General, who paid tribute to Governor O'Callaghan as a good friend to Canada, recalled that the Governor had been an honoured guest at both the Calgary Stampede and at Edmonton's Klondike Days. As a token of that friendship, Dr. Adams presented Governor O'Callaghan with a specially-minted silver coin set commemorating the 1976 Summer Olympic Games in Montreal. The uncirculated four-coin proof set was contained in a case made of Canadian white birch and

Canada Weekly is published by the Information Division, Department of External Affairs, Ottawa, K1A 0G2.

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

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

Algunos números de esta publicación parecen también español bajo el título Noticiario de Canadá.

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

tanned steer hide, bearing the official symbol of the 1976 Summer Games — the traditional Olympic rings topped by the Olympic podium.

Sets of the Canadian coins are now on sale in the United States through banks, coin dealers and American Express, as part of a worldwide distribution system. Three per cent of the face value of the Canadian Olympic coins sold in the United States goes directly to support the U.S. Olympic team through the U.S. Olympic Committee.

Computer curbs potato blight

Twelve farmers in Thunder Bay, Ontario, sprayed their potato fields with fungicide four times this summer because of information gained from a computer in Ottawa. And thanks to the computer technology, dedication by the farmers and research by a team of Agriculture Canada scientists, potato yields are 50 to 60 percent higher than those produced by disastrous crops in 1973. The loss for that year has been estimated at \$150,000 for the 1,200 acres of potatoes grown for local consumption.

Potato blight, the cause of the devastating famine in Ireland in 1845, killed last year's crop in Thunder Bay but careful control of the disease this summer has produced the better-than-average yields.

The research project is one of few that involved many people — farmers, scientists, provincial agricultural representatives, computer technicians and Agriculture Canada field workers.

Dr. Clive James, a research scientist with the Crop Loss Section of Agriculture Canada's Ottawa Research Station, headed the project, which started in September 1973.

Potato blight is a fungus disease that defoliates the plant, destroying the food factory and stunting the growth of the tubers. Spores also percolate through the soil and contaminate the tubers — a contamination which is seldom recognized — and causes the tubers to rot after a short time in storage.

Daily check

In June, departmental equipment was put in three of the farmers' fields. It

included a thermohygraph for measuring temperature and humidity, and a rainfall indicator. The farmers were responsible for providing researchers with daily rainfall figures. "None of the farmers missed a single day in getting the readings to us," Dr. James says.

Ray Gammond, of the experimental farm, also checked the equipment twice a week and gathered data on the minimum and maximum temperatures and humidity levels.

This information — combined with similar data gathered at the experimental farm and a federal meteorological station in Thunder Bay — was relayed twice a week to Dr. James in Ottawa.

Using the facilities of Agriculture Canada's Statistical Research Service, the information was fed into a pre-programmed computer which, within minutes, processed the data and recommended whether or not to spray with a fungicide.

The recommendation was relayed back to the experimental farm and to Ontario agricultural representative Robert Lindsay. The computer's decision was telephoned to farmers and also broadcast on a noon-hour weather report on a local radio station.

The computer recommended that spraying was necessary four times during the past summer; the farmers applied dithiocarbamate.

"And the incidence of blight was between 0.1 and 1 per cent," says Dr. James. "The loss was negligible. Yield is about 300 bushels per acre."

Despite assurance from the scientists of the reliability of the forecasting system, some of the farmers omitted to spray a few rows of potatoes.

"You could certainly tell the difference," Dr. James says. "The unsprayed rows were heavily infected with blight."

The same program will be carried out next year in the Thunder Bay district.