

# Canada Weekly

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## Energy – a sudden crisis could also happen in Canada

*“The recent energy crisis in the United States should be a stark reminder to us,” stated Energy, Mines and Resources Minister Alastair Gillespie, in an address to the Canadian Club on February 25.*

*Mr. Gillespie was referring to the recent severe cold weather in the U.S. which caused a crucial shortage of energy, mostly natural gas, when hundreds of thousands of school children had to stay home because there was no energy to heat their schools and a similar number of adults were laid off work temporarily.*

*The same crisis could happen in Canada, warned Mr. Gillespie, unless governments at all levels, businessmen, academics and public-interest groups, as well as individuals, took up certain “challenges” that he outlined briefly.*

*Excerpts from Mr. Gillespie’s address follow:*

\* \* \* \*

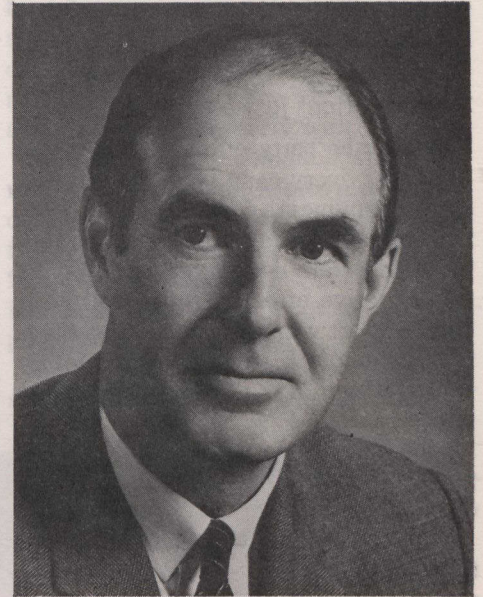
Let’s look at some basic facts. Our overwhelming dependence on oil and gas will continue for at least the next ten years. During the same ten-year period our own reserves of conventional oil will be running down to dangerously low levels. In each of the past five years we have used more than we have found and the outlook for future oil discoveries coming to market within the next ten years is, to coin a phrase, bleak.

Accordingly Canada, particularly the markets east of the Ottawa Valley line, will become increasingly dependent on foreign oil for the next ten years at least.

One of the worst features of that increasing dependence on foreign imported oil is that an increasing proportion of it will have to come from the Middle East, an area which has been politically very unstable in the post-war years. By 1990, the estimates I have seen indicate that the Western world may be depending on Saudi Arabia for 23 million barrels a day, or nearly one barrel out of every two of their oil imports. In strategic terms, this has to be a matter of great concern.

The balance-of-trade implications, therefore, of growing foreign imports at increasing prices can only be described as a matter of very great concern – from a deficit estimated at almost \$1.5 billion last year to a deficit forecast of \$4.5 billion in 1985.

Also, Canadians have been wasting energy as if there were no tomorrow



*Energy Minister Alastair Gillespie*

because we have taken it for granted and because until recently it has been cheap.

### Conservation best policy

As well, the cost of finding and bringing to market new supplies of oil and natural gas, and developing other forms of energy for heating, and moving, sustaining and lighting our lives, is immense – \$180 billion or more in the next 15 years. This is why conservation is our best energy policy. Developing new energy costs four times as much as saving an equal amount of existing energy.

In the final analysis, the provinces own the resources – they hold all the aces. How much simpler the life of a

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federal energy minister would be if the resources belonged to the Federal Government – if the Federal Government could determine what would be produced, at what royalty, at what time and in what quantity. But the Federal Government doesn't own the resources, the provinces do, and that causes real tensions in our Confederation – both among provinces and between the provinces and the Federal Government.

These are some of the basic problems that confront us. I believe Canada, more than most countries, has addressed itself to these policy questions. We have stated them in a document: *An Energy Strategy for Canada, Policies for Self-Reliance*. Only now is the United States moving to get in step with Canada and other countries – President Carter told his television audience the other night that he had ordered a White Paper on energy for April 20.

'Conservation' just a new word?

I'll describe parts of our strategy, and in almost every case you will see that, unless provincial governments follow with the appropriate initiative or take the appropriate decision, it will be difficult to give effect to a national need.

Let's start with what has to be the foundation of all modern energy policy – a rejection of our wasteful practices of the past....

Canadians along with a lot of other people, were nearly doubling their energy consumption every ten years.

The target which we set last year is to cut the annual rate of increase in national consumption of energy to 3.5 per cent – to cut it in half – by 1985. We expect to do better than that, possibly approaching a zero rate on a *per capita* basis by 1990 if we receive the co-operation of provincial leaders and other Canadians.

A few conservation measures we have taken include a 10 percent cutback of all federal departments and we are actively working with industrial groups which are devoted to similar objectives.

Our new mileage standards will cut back gasoline consumption dramatically. The new car in 1985 will go twice as far on the same gallon of gas as does a 1975 model.

Home heating remains one of the biggest potential areas of energy-saving. On this topic I would like to

see conservation incentives offered by the electric utilities, the oil companies and the gas companies, just as they once offered incentives to their customers to increase their use of power and fuel. It would be good business for them and good business for the country.

I would also like to see the banks, insurance and loan companies get into the act, offering savings and loan plans that would help people to do things to save energy – and a lot of money as well.

There are significant savings to be made in eliminating bulk metering of electrical energy. What incentive is there to the millions of Canadians who live in apartments to save energy if they are charged a flat rate regardless of the energy they consume? And what about time-of-day billing or other techniques to even-out energy consumption? Other countries are charging higher rates for hours of peak energy consumption. And some have adopted systems which allocate the time of day for hot-water heating. In Canada, we must look to the provincial government utilities to introduce these useful measures.

\* \* \* \*

What will displace foreign oil?

There are five energy sources which we must tap if we are to reduce our growing dependence on foreign oil.

(1) Our own oil resources – particularly our tar sands and heavy oils. We have estimated that, by 1990, oil from conventional sources might be down to 736,000 barrels a day, and that we might obtain 444,000 barrels a day from the tar sands and 500,000 barrels a day from the frontier. That analysis was based on the relative rating of the probabilities and economics of the frontier areas and the technology and economics of the tar sands.

Frontier prospects for oil since then have declined. It was for that reason that I proposed a set of fiscal principles to Alberta in order to reactivate an interest in a new tar-sands plant and in the heavy oils of the Cold Lake area and the Lloydminster area. I believe that access to secure oil even if the Government has to subsidize the production of that oil is more important than a tax and royalty system which would notionally allocate significant revenues to governments but would provide no oil to the Canadian people.

It should be possible (with the co-

operation of the Alberta government and the Saskatchewan government) to obtain for Canadians a million barrels a day by 1990 of Athabasca-type oil and heavy oils from Cold Lake and Lloydminster. But let there be no mistake, it will require the co-operation of the provincial governments. And decisions must be taken soon.

(2) Secondly, our natural-gas resources can replace imported oil. Quebec is particularly vulnerable to foreign oil imports. Seventy per cent of the total energy of Quebec depends on oil. And before we extended the pipeline from Toronto to Montreal, all of it was imported. I believe that oil pipeline was an investment in Confederation – in the security of Canada.

Our natural-gas situation today is somewhat better than the prospects for conventional oil. It has come about partly as a result of our pricing policy – raising oil prices and tying natural-gas prices to them. There has been very much more activity in Alberta in the past year and a half, with encouraging results. Very considerable deposits of natural gas previously known to be uneconomic have now been established as additions to our reserves base. This extra gas can be useful in helping to build a market for frontier gas.

This is the year that will determine whether or not a pipeline will be built from Northern Canada to serve Canadians and/or Americans. Clearly it would be inappropriate for me to speculate on the outcome. We have not yet heard from Mr. Justice Berger as to what social initiatives and environmental measures should be taken in the event that the Government were to decide on a Mackenzie Valley Pipeline.

There are people who, even if a Mackenzie Valley Pipeline is judged to be economically viable, environmentally satisfactory, and socially acceptable, say that nothing should happen until there is a settlement of the Indian Land claims. Clearly that would be desirable. But the difficulty, in theory at least, is that such an accommodation might not occur in our lifetimes.

I believe that Mr. Justice Berger may be planning to submit his report before May 1, which is the date that the Federal Power Commission must make its recommendation to the President. From then on it will be open season for various groups to make their represent-



### Wood, a resource man is only just learning to use

Few raw materials contribute as much to man's well-being and comfort as wood. Its benefits are innumerable. The number and variety of capital goods and consumer products provided by trees are constantly increasing and the list grows longer as science progresses and continues to delve into the mysteries of wood fibre.

Man has always processed timber into a construction material. The production of lumber was one of the first uses to which forests were put, a use which has been retained and which has expanded with the increase in market demand as well as with refinements in modern technology.

Lumber refers to the building timber which comes out of Canadian sawmills, and also to a number of other finished or semi-finished products such as shingles, floor boards and finished wall panels. The lumber family also includes composite materials such as plywood and particle-board. The latter is made from wood chips, in most cases sawmill chips that for many years were considered to be unusable waste material.

### Pulp-and-paper industry

Sawmills have also become an important source of supply of wood chips for pulp-and-paper mills. These mills, large consumers of wood materials, are prime users of the forest resources, which are processed into hundreds of products.

The main product of the pulp-and-paper industry in the province of Quebec is newsprint, which represents 61 per cent of industry production. There, the mills produce vast quantities of other papers besides newsprint, notably kraft paper, household paper products and stationery. There are about 500 different varieties of stationery paper in Canada.

Kraft paper, very widely used, is one of the most versatile papers. Because of its strength, it is ideal for wrapping. It is used to make grocery bags, sugar bags, potato bags and cement bags, gummed paper and envelopes. It is also the type of paper used to roll coins.

Household paper products are very commonly used. There are paper towels,



*A tree in the process of falling after it has been cut by the logger*

toilet paper, sanitary napkins, tissues, table napkins, tablecloths and disposable diapers. "All-purpose" paper is more than just an advertising slogan, it is a fact.

The forests also provide the raw material for the production of cardboard, used to make sturdy containers for transporting all sorts of merchandise, from canned foods to refrigerators. Tough packing materials such as cardboard boxes, liners and corrugated cardboard have contributed greatly to

the safe transportation, and hence the saleability, of many types of merchandise.

Light cardboard, often brightened with multi-coloured designs, is used in containers for a wide variety of items, from toothpaste tubes to phonograph records to cereals.

Cardboard vies with glass, plastic and other materials in the manufacture of such items as plates, drinking cups and containers for milk and ice cream. Paper and cardboard products have the distinct advantage of being biodegradable, combustible and recyclable.

### Little-known uses

The list of products from trees does not end with lumber and composite panels, papers and cardboards, toothpicks and matches, not to mention foods such as nuts, fruits and maple syrup. There are also innumerable chemical products which are useful to man and which very few people would associate even remotely with trees.

Cellulose – the substance which makes up wood fibre – provides such diverse products as rayon, cellophane, films, synthetic sponges, explosives, imitation leathers, corks, buttons, lacquers, phonograph records, telephones and lampshades.

Resin from trees is used for enamels, shoe polish, wax, medicines and dis-



*A conveyor dumps logs into a huge pile at Fort William, Ontario.*



infectants. Trees are also a source of turpentine, varnishes, paints, synthetic camphors, printing inks and insecticides. Rubbing alcohol and the softening substances used in hand lotions also come from trees.

Wood yeast, a by-product of pulp making, has been successfully processed into an excellent livestock feed, and, in Sweden during the war, into a meat substitute with the appearance and something of the taste of ground beef. And that is not all. The list is endless.

The list will be even longer when scientists finally solve the puzzle of lignin, which is being studied in laboratories in many parts of the world. (From *Le Papetier*, December 1976.)

### Canada, U.S. link hands in chart-making

A new navigation chart of Lake Ontario — the first of a series of border-region charts being produced co-operatively with the United States — is now available from the Canadian Hydrographic Service.

Production of the new Lake Ontario chart (No. 2000) was co-ordinated with the simultaneous issue of a similar chart of Lake Erie by the United States National Ocean Survey.

Hydrographers of the two countries achieved significant compatibility in specifications for the two charts, which will enable the Canadian Hydrographic Service to reproduce the U.S. chart of Lake Erie directly from the U.S. reproduction negatives after minor changes. The U.S. authorities will also be issuing the Canadian-made Lake Ontario chart.

The latest CHS chart also incorporates a number of changes in the style of presentation of marine navigational features. The depths and elevations are now shown in metric units and the chart is bilingual. Continuous line contours are used to indicate depths, supplemented by figures where required.

Canada and the United States have co-operated in marine surveys and the charting of coastal and inland navigation routes of mutual interest for many years. A joint advisory committee was set up in 1963 to assess the complex technical problems involved in reducing duplication of effort and in pre-

paring common standards of presentation and procedure.

The two countries exchange their plans for field surveys twice yearly, which results in a number of co-operative operations. Results of surveys are also exchanged.

### Northern Alberta transportation agreement

A new federal-provincial agreement, worth \$30 million, will provide for construction and improvement of transportation facilities over the next three years in northern Alberta. It provides for sharing the costs of the construction of roads, bridges, and airstrips in the northern part of the province, the federal contribution totalling \$15 million.

Transport Minister Otto Lang said the agreement originated in a commitment the Federal Government made at the Western Economic Opportunities Conference in 1973. "Our goal in this co-operative program," he said, "is to upgrade the northern Alberta transportation system as part of developing an efficient national transportation network, as well as improving access to isolated northern communities and areas with high resource potential."

The agreement follows two previous interim ones, for 1974-75 and 1975-76, between Transport Canada, the Department of Regional Economic Expansion, and the provincial government for improvements to transportation facilities in northern Alberta.

Under the 1976-78 pact, the Federal Government will provide \$5 million to the province for each of the three years for the continuation of projects initiated under the interim agreements, as well as for new construction projects.

### Japanese on the prairies

The University of Alberta's Japanese language program received national recognition last year in the form of a special grant for 1976-77 and 1977-78 toward providing permanent Japanese-language staff. The grant consists of a major portion of the interest on \$250,000 from the Japan Foundation held in trust by the Association of Universities and Colleges of Canada

to promote Japanese studies in Canada.

The original grant from the Japanese Government was \$1 million. One-quarter of the interest on this amount was assigned to each of three Canadian university centres. The remaining quarter was open for national competition.

"Although Alberta was unfortunately eliminated from the original consultation," said Hazel Jones, Japan specialist in the Department of History, "it did enter the national competition, and our program has been recognized."

Eleven Japanese language and literature courses are being taught this year, three of them intensive "double" courses. Students spend several hours each week in language laboratories for introductory language courses, in addition to six hours in class.

### Business interest

The interest of business people in the Japanese language and culture is a noticeable phenomenon in Alberta, and perhaps this is why, in the University of Alberta, a Japanese-language program has rapidly expanded. Moreover, the community has shown further interest in Japan by establishing programs like Contact Japan, sponsored by the Alberta government and the Lions' exchange program, which allows Alberta high-school students to tour Japan, live in Japanese homes and learn directly about Japanese culture.

### Institute for Northern Studies

The University of Saskatchewan is one of 24 founding members of a new association of Canadian universities active in northern research. The Institute for Northern Studies will promote co-operative planning of northern research among universities and the shared use of research stations and other Arctic facilities.

In addition to the gathering and dissemination of information on northern research, the Institute plans to arrange exchanges of scholars and graduate students between member universities and other Arctic countries, such as Norway, Finland, Sweden and the U.S.S.R. It is the Institute's objective to help Canada fulfil its international obligation to share information, research facilities, experience and skills with other polar nations.



# News of the arts

## Films depict newcomers' experience in a new land

To mark its hundredth anniversary, Imperial Oil Limited has commissioned seven hour-long motion pictures to tell the story of how Canada became a country. These films will describe the experience of inhabiting a new land by faithfully re-creating personal stories of immigrants at various key periods in history.

The series, entitled *The Newcomers: Inhabiting a New Land*, explores the experiences of immigration and settlement.

Over the next three years, shooting for these films will be carried out in virtually every region of Canada. Production of the prologue began in Hazelton, British Columbia, last May. It is the story of the Canadian native peoples' way of life before the coming of the white man.

The Gitksan native tribe has made a strong effort to preserve its traditions through work at 'Ksan Indian Village, northeast of Terrace, British Columbia. The cast of the film consists of the 'Ksan Performing Arts Group and other local talent. Although 'Ksan Village has been the inspiration for the story, the dramatic elements are not specific to the Gitksan but apply to all the Northwest Pacific Indian peoples.

The second and third films are devoted to the French settlement of Canada in the seventeenth century and to the arrival of the English settlers until 1840 — including the landing of the Loyalists and the Scots. The fourth tells of the coming of the Irish during the next two decades. From 1860 until the start of the First World War, Western European immigration predominated. This period is depicted by the fifth of the series. The Ukrainians arrived between the two world wars, and their story is told in the sixth film. The arrival and settlement of the Southern Europeans after the Second World War is described in the final production.

Although specific groups have been chosen to dominate in each of the films, the combination of drama and documentary fact allows for the inclusion of many other immigrant groups within the context of the films. For

example, the mention of Chinese immigration cannot be omitted when describing the construction of the railway in the West — a subject covered in the sixth film.

These motion pictures will be produced in both official languages and telecast as special presentations, simultaneously over the English and French television networks of the Canadian Broadcasting Corporation, beginning in November 1977. The whole series will be repeated in 1980 to celebrate the centennial of Imperial Oil's founding by a group of Canadian businessmen in 1880.

Following the telecasts, prints of the motion pictures will be made available to educational institutions, together with complementary written material for use in the schools.

J.A. Armstrong, president and chief executive officer of Imperial Oil Limited, stated:

"We hope that this contribution to social history through motion pictures will meet a need in the process of understanding ourselves and our land. We can think of no better way to mark our hundredth birthday."

## Ethnic histories

A history of the Polish community in Canada, written by Henry Radecki and Bendykt Heydenkorn, has been published by McClelland and Stewart. *A Member of a Distinguished Family: The Polish Group in Canada* is the first of a series of 25 ethnic histories commissioned by the Secretary of State. A French version will be published in the spring.

## Canada at recording fair in France

The Canadian popular music industry was well represented at MIDEM, a recording industry trade fair which took place in January in Cannes, France. Under the sponsorship of the Department of Industry, Trade and Commerce, the Canadian exhibition booth included leading record producers, music publishers, record distributors and Canada's performing rights organizations, BMI and CAPAC.

The object of the exercise was to buy and sell master recordings and publish-

ing rights to tunes. The largest contingents to MIDEM come from the U.S., France, Germany and Britain. The Canadian booth included 12 major recording companies that represented such artists as Louise Forestier, Robert Charlebois, April Wine, Hagood Hardy, Shirley Eikhard, Patsy Gallant, Susan and Terry Jacks, Dan Hill, André Gagnon, Renée Claude, The Canadian Brass, Liona Boyd and Stompin' Tom Connors.

From all reports, the participating Canadian firms found the gathering useful and profitable.



At a reception given by the Canadian Ambassador to France, Mr. Gérard Pelletier, during MIDEM, Mr. Pelletier (centre) chats with Stan Kelles, Special Projects Officer for the magazine RPM (right), and John Mills, General Manager, CAPAC (left).

## Pianists on South American tour

Victor Bouchard and Renée Morisset, a piano duo from Quebec, will tour Mexico, Venezuela and Cuba in May. The pair already have a long career behind them and are now known in America and Europe.

After an outstanding *début* in Paris, Victor Bouchard and Renée Morisset gave some 200 concerts in several European countries. In January 1965 they played at Carnegie Hall in New York. They have also played with the Paris Philharmonic and with the major Canadian orchestras.

Works for two pianos have been specially written for them. A concerto for two pianos was dedicated to them by composer Roger Matton and recorded under the direction of Walter Susskind. The duettists have also recorded for the Club national du disque de Paris, RCA Victor, Capitol and, very recently, for Séléct.



## Energy

(Continued from P. 2)

ations to the President as he considers the matter.

Our own National Energy Board is not expected to provide its report until this summer — perhaps an uncomfortably short period before September 1, the date when the President must make his recommendation to Congress unless he avails himself of the extra discretionary time provided to him by the legislation.

It won't be an easy decision, that's very clear. There will be those who will argue that Canada could afford to put off such a decision for several years, that the discoveries in Alberta have bought us time. But what kind of time has been bought for Canadians? Has it changed in any way our priority to reduce our dependence on foreign oil? Indeed, have these new Alberta sources not assisted us in reducing our dependence on foreign oil? I would urge Canadians to keep in mind that unless we develop our own alternatives to foreign oil we will become increasingly dependent on that foreign oil. The one thing that doesn't change is our vulnerability, our dependence, on foreign oil.

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## Stamp sculptures gift to UN

Postmaster-General Jean Jacques Blais presented the complete series of Olympic stamp sculptures in precious metal to United Nations Secretary-General Kurt Waldheim in New York on March 4, for the United Nations Postal Administration, to mark its twenty-fifth anniversary last year.

Mr. Blais also presented individual stamp sculptures to Mr. Waldheim,

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*Algunos números de esta publicación aparecen también en español bajo el título Noticario de Canadá.*

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

George Davidson, Under-Secretary-General, UN Administration and Management, Robert J. Ryan, Assistant-Secretary-General of the UN Office of General Services, and Ole Hamann, Chief of the UN Postal Administration.

"The international ramifications of the single organization we know as the United Nations Postal Administration make it unique among postal services anywhere," Mr. Blais said. "And so it is with a great deal of pride that I am able to point to my country's role in this global endeavour for, as you know, Mr. Waldheim, the Canadian Forces Post Offices, the functional arm of the Canadian Forces Postal Service,

operates the United Nations Postal Service in the Middle East for the majority of the peacekeeping forces serving in that theatre."

"This is not the only example of Canada's co-operation with the United Nations," he continued. "You may recall, that in 1967 an agreement was signed by my country to permit the UN to sell its own stamps during Expo 67 in Montreal. One further example of the United Nations link with Canada is that in the years 1974, 1975 and 1976 a Toronto, Ontario, firm was charged with the responsibility for printing 11 different United Nations stamps and two souvenir sheets...."

## News briefs

■ Federal Health Minister Marc Lalonde announced on March 9 that the artificial sweetener saccharin would be banned from soft drinks, foods, cosmetics and certain drugs. He told a news conference action was taken against the food additive because it was not essential and could be replaced. After the Canadian ban was announced, the United States said it would follow suit, citing the three-year, \$300,000 study conducted by Canada's federal Health Department, which found high rates of bladder cancer among the male offspring of rats exposed to high levels of saccharin. The needs of the country's 175,000 diabetics have not been forgotten, said Mr. Lalonde, and some dietetic foods may be exempted from the ban. Pure saccharin will still be available, but will be sold behind the counter in drugstores.

■ Canada's gross national product in real terms declined at a 2.4 percent annual rate during the fourth quarter of 1976, according to Statistics Canada. The decline was attributed to a reduction in export volumes, in real business capital spending on construction and in real government spending on goods and services. A deceleration in inventory accumulation also played a role, though less significantly, in the reduction in real output in the economy. The decline in real GNP was the first since the 1974-75 recession, when real output declined almost 1 percent over six months.

■ Agriculture Minister Eugene Whelan announced on March 4 that all pesticides sold, distributed and used in

Canada must now be registered under the Pest Control Products Act. Regulations under the act have been amended to revoke the exemption previously given to farmers and others importing pesticides for their own use. Canada had been the only country in the world allowing unregistered imports in this manner. Last year, about 2,000 farmers imported pesticides for their own use. Most of these were in Ontario close to the United States border.

■ The Unity Bank of Canada will disappear into the Montreal-based Provincial Bank of Canada if a proposed amalgamation of the two banks is completed. The two banks recently announced that their directors had agreed to recommend the amalgamation to their shareholders. Their joint statement said the Federal Government had accepted the move in principle. The new bank would retain the name of Provincial Bank of Canada. Each shareholder of the existing Provincial Bank would receive one share in the new organization in exchange for each of his present Provincial shares. Unity Bank shareholders would receive one new Provincial share for each 3.5 Unity shares held.

■ Cementos Selvalegre of Ecuador has awarded a contract worth almost \$24 million to Allis-Chalmers Canada Ltd. for construction of a cement plant.

■ Manpower and Immigration Minister Bud Cullen has announced a \$100,000-grant to the Canadian National Institute for the Blind to help meet the employment service needs of blind Canadians. It was the second \$100,000-grant to the Institute in a year.