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CONTENTS

Threefold Approach to Canadian Policy.....	1
Car Prices in Canada	3
Study Atlantic Power	3
Juvenile Delinquency	4

THREEFOLD APPROACH TO CANADIAN POLICY

The following is part of an address given recently by Mr. Paul Martin, Secretary of State for External Affairs, at the twenty-fifth anniversary of the Ukrainian Canadian Committee in Winnipeg:

...I should say that our current international policies are based on three lines of approach to the complex questions of world affairs:

First, pending the attainment of universal collective security, we must maintain regional security, strengthen those traditional associations with other free nations on which a good deal of world security and progress depends and pursue all the normal interests, such as trade and immigration, on which our own national well-being has also depended.

Second, at the same time, we must pursue vigorously in the United Nations the objectives of peace, economic and social welfare and human rights. We must cultivate friendly relations with the newly-independent nations and with all states in the spirit of enlightened internationalism.

Third, Canada and like-minded nations must take all opportunities, in direct relations with the Communist nations, to make our intentions clear, to respond to changes in the Communist world which offer possibilities of a more normal relation and to advance specific interests of trade, information and protection of individuals. In this way, some of the basic tensions affecting the world generally may be lessened....

ALLIANCE IS IMPERATIVE

The North Atlantic Alliance, which Canada helped to create, has completed 16 years of existence, and there is generally agreement among the members that the need for such a defensive association remains very great. With the security and self-confidence

which this Alliance provided for the area it covered, Western Europe has effected a remarkable recovery from the effects of the war. The nations of Western Europe have gone ahead with the North American members of the Alliance to make their contribution to security and welfare elsewhere in the world.

There are, as you know, debates and disagreements within the Alliance about the exact nature of the organization required to fulfill the purposes of the agreement, about the degree of integration of forces required and about control of nuclear weapons. These questions pose major problems of policy; they also provide evidence of the seriousness with which members view matters affecting their security and of their desire to have the structure of the Alliance reflect changing conditions. In spite of differences over method and procedure, all NATO leaders are agreed about the danger of aggression which makes an alliance imperative....

OGDENSBURG DECLARATION

Our defence links with the United States are closely related to our NATO commitments. Since we are looking back together over 25 years of Canadian and world affairs, we might recall another significant anniversary. On August 18 of this year, the Honourable Averell Harriman represented the United States Government and I represented the Canadian Government in a ceremony at Ogdensburg, New York, commemorating the twenty-fifth anniversary of the declaration on defence partnership between Canada and the United States made in that city by President Roosevelt and Prime Minister King. We made use of this occasion on behalf of our two governments to reaffirm the necessity of continuing to co-operate

(Over)

intimately in the defence of our continent within the broader framework provided by our joint membership in NATO....

UNIVERSAL EFFORT

It has always been clear to us...that we could never protect our own interests properly or help to obtain the type of international community we wanted if we limited our efforts substantially to the Atlantic, North American or Commonwealth areas or associations. The experience of the past pointed to the necessity of collective effort at a universal level in an increasingly inter-dependent world....

The United Nations had to take urgent action to deal with the dispute between India and Pakistan and, in doing so, has had, as you know, the declared support and practical assistance of Canada. In the Vietnam conflict, we appealed to the Assembly to use whatever influence it had to bring about a negotiated settlement which would guarantee that the people concerned would be able to proceed with the support and encouragement of the international community to choose for themselves the path they wish to follow.

Bringing open conflicts to an end is only one part of the United Nations role, of course. We have stressed the necessity of dealing with underlying causes and of strengthening the ability of the United Nations to act decisively at an earlier stage in conciliation and also as soon as local conditions make peace-keeping intervention essential.

DISARMAMENT

In the field of disarmament, we have not allowed the obvious difficulties impeding rapid accomplishment of general disarmament to deter us from trying to make progress with various collateral measures which could lessen tension and create confidence. Canada has worked with other Western and unaligned nations to introduce measures limiting the spread of nuclear weapons, stopping all test explosions and finding methods of verifying explosions.

On the basis of our own experience in all United Nations peace-keeping operations and of our recent initiative in stimulating study of the technical problems involved, we have stressed before the Assembly a number of principles concerning the costs of such operations and the respective responsibilities of the Security Council and the General Assembly....

ECONOMIC AID

Finally, our response to our global obligations must include action on a broad front in the field of economic development. The Canadian statement expressed concern at the widening gap between the *per capita* incomes of the developing and developed countries and called for resolute action by members, collectively and individually, to increase the flow of development assistance. We have ourselves doubled our bilateral aid programme last year and we expect to increase it again this year. In addition to programmes already under way in Colombo Plan countries and in other Commonwealth and French-speaking African states, we have now made more funds available for development in Latin America and we expect to join the Asian Development Bank....

HUMAN RIGHTS

But there are other cases, too, which move us because of our own experience, our own deepest convictions and the rich cultural fabric of our nations. In speaking to the General Assembly I emphasized these convictions to the delegates of other nations in these words:

"We cannot, however, concentrate only on material progress as if this were the only key to human welfare. The dignity and unique value of the human spirit are even more fundamental and can flourish only under conditions of equality and freedom.

"The determination we therefore express in the Charter 'to reaffirm faith in fundamental human rights' is a vital part of the total crusade in which we were engaged. Canadians attach particular importance to the maintenance and extension of individual rights, to the protection of the institutions of family and faith, and to the removal of all forms of discrimination based on race, colour, sex or religion.

"Our concern for human rights arises also from our diverse national origins. Many Canadians still retain a profound interest in the lives of their kinsmen in other lands. Where respect for human rights and freedom and self-determination is not fully assured or where it is deliberately denied, Canadians deplore these conditions — believing, as we do, that those rights and freedoms must be of universal application...."

HUNGARIAN REVOLT

On other occasions, in the period we are considering, under the stress of events which shocked the Canadian public, Canadian leaders have made their devotion to those principles clear....

I recall the words of the Right Honourable Louis St. Laurent, then Prime Minister, when he wrote to Marshal Bulganin in November 1956 about the tragic events in Hungary. "I can assure you," he wrote, "that I speak for the people of Canada in expressing our horror at the suffering of the Hungarian people as a result of their efforts to obtain the freedom to choose their own type of government....The Government and people of Canada have no desire to influence the form of government chosen by the peoples of Eastern Europe. Our only aim is that they should be free to do so and that the governments so chosen should steer their own independent courses...."

Since the times I am referring to, there have been some improvements. There have been greater contacts with the West and easier internal conditions. There has developed among the smaller Communist nations in Eastern Europe a greater freedom of action in defining national interests. The appeals of Western leaders have played a part in this process. And yet situations remain which are the most shocking examples of injustice and which throw a peculiar light on what Communist leaders may mean by coexistence....

RELATIONS WITH COMMUNIST WORLD

I turn...to the third theme of my address — to the question of how, under present circumstances, we are to conduct our direct relations with Communist countries. The differences between us and them are

CAR PRICES IN CANADA

The Minister of Industry, Mr. C.M. Drury, recently issued a statement concerning the influence on automobile prices in Canada of the Canada-U.S. Automobile Agreement announced in January, which read as follows:

...When the automotive programme was announced on January 15 this year, I made the following comment on the subject of car prices:

Of significance for the Canadian consumer is the fact that over several years the plan should progressively make possible increased efficiency and reduced costs. Indeed, this is one of the principal objectives of the entire programme. In line with the attainment of lower costs of production, it is to be anticipated, as the programme develops, that the forces of competition will gradually result in savings for Canadian consumers in the form of a narrowing differential between Canadian and United States prices for motor vehicles and components.

Part of the reduced costs referred to in that statement takes the form of savings in the payment of customs duties. But far more important are the reduced costs which should flow from increased efficiency as the programme gets under way and manufacturers of automobiles and parts organize their production to achieve greater specialization and longer production runs to serve North American and world markets. These more significant reduced costs can only be expected, however, over a longer period, and when the very large new investments currently being made in the automotive industry begin to bear fruit in the form of greater and more efficient production.

As these reductions in cost occur, other factors, such as higher wages, rising material costs and higher prices for machinery and equipment and for plant construction, will tend to push costs in the other direction. The question of whether, on balance, total production costs will go down, go up, or remain stable depends on the balance of these offsetting forces, which affect the costs of manufacturing cars in Canada.

One point, however, should be made crystal clear. On the fair assumption that labour and other costs move more or less together on both sides of the border, we should see a progressive narrowing of the differential in prices of automobiles between Canada and the United States during the next three years.

THE RIGHT COMPARISON

The Government of Canada, of course, does not control prices and, indeed, has no authority to set prices in the automotive industry or any other manufacturing industry. Automobile prices are a very complicated matter. There are many different kinds of price. For example, there are retail list prices, cash-discount prices, trade-in prices, fleet prices, and manufacturers' prices to dealer f.o.b. plant. Comparing car prices becomes even more complicated when account is taken of federal and provincial sales taxes in Canada and federal and state taxes in the United States; and there is also the matter of the exchange rate. I believe that the meaningful comparison to be made is between prices for the identical

model in Canada and the United States at the factory, excluding sales and excise taxes and adjusted for the difference in exchange.

I believe that this is the right comparison to make for several reasons. First, prices at the manufacturers' level can be determined in a uniform and consistent way. Second, and much more important, the automotive programme, through its cost-saving impact, influences costs and hence prices at the manufacturers' level. It is not designed to, nor can it, influence the costs of distribution, federal and provincial taxes and other costs which are added after the car leaves the factory. The retail price will, of course, reflect the factory price charged to the dealer.

It will be of interest to all to learn that a comparison of prices at the factory for the standard popular model of all cars widely purchased in Canada and the United States, for the 1965 model year, discloses our average price differential of a little less than \$150. Looking at Canadian prices in relation to American prices for these popular cars, the differential is about 8 per cent for the 1965 models. I want to emphasize this figure of \$150, or 8 percent differential. We should be clear that what the automotive programme can do, and I am confident will do in time, is to remove the...differential now separating Canadian and American car prices at the factory.

I hope that, when car prices in Canada and in the United States for the 1966 model year are announced, we shall see a beginning of the narrowing of this differential.

STUDY ATLANTIC POWER

The Prime Minister announced recently that, in co-operation with the provinces of New Brunswick and Nova Scotia, the Federal Government had decided to undertake a detailed and comprehensive study of tidal power sites at Shepody Bay, Cumberland Basin and Minas Basin. For this purpose, an Atlantic Tidal Power Programming Board is to be established comprising representatives from the Federal Government and from the provinces of New Brunswick and Nova Scotia.

This decision follows directly from the broad policy of the Federal Government, being implemented by the Department of National Resources, to assess the hydro-electric power potential at various sites across the country, in collaboration with the provinces concerned, as part of its national water policy.

The Atlantic Development Board has already made preliminary studies on the underwater foundation conditions at the three locations mentioned above. It will be the responsibility of the new Board to propose, supervise and evaluate further studies in order to assess in detail the potential power, probable costs of development, and the markets for power.

THREEFOLD APPROACH TO CANADIAN POLICY

(Continued from P. 2)

only too obvious. Is there hope of achieving some amelioration of conditions which could be significant in the terms of the convictions which you and other Canadians share?

The firm insistence on maintaining our own defensive capacity is part of the relation between ourselves and the Communist countries, but we cannot sit back behind our lines and neglect opportunities to lessen tension and change some political realities. Nor can we, unfortunately, count on common membership in the United Nations to achieve a better understanding without a considerable supplementary effort in bilateral relations.

In this area we cannot, of course, allow ourselves to lose sight of the stubborn issues still at stake between us and the Communist world: fundamental issues such as German reunification, European security and general and controlled disarmament. There is little visible evidence that the Communist world will be ready to co-operate in resolving these issues in the near future....

EASING OF TENSION

But it is equally a fact that, since the Cuban crisis of 1962, there has been a tendency, at least on the part of the Soviet Union and the other Communist countries of Eastern Europe, to work towards a certain easing of tension....

The Soviet Union clearly expects favourable results for itself from this development, since we can be sure that its leaders are acting from a shrewd calculation of self-interest. We, too, intend to be hard-headed in dealing with the opportunities and risks involved. If we are cool-headed as well in assessing the realities that lie behind propaganda and ideological language, there can grow up a recognition on both sides of common interests on which further agreements could eventually be based.

We can see this happening in the growing willingness of Communist countries to expand trade, contacts and exchanges with the rest of the world....

DEVELOPMENTS IN COMMUNIST SOCIETY

In considering the value to us in the long term of contacts with the Communist countries, we must take into account some developments within Communist society, particularly within the Soviet Union. It seems obvious that the Soviet Government has become sensitive, not only about some questions of individual rights or about real economic incentives or more relaxed conditions for artistic expression, but also about the position of various racial groups within the country....

In ending my remarks on some of the main aspects of Canadian external policy, I return to the question which must be in the minds of all of us in thinking back over the past 25 years. Have we applied the lessons of our experience in the formulation of policy and are we in a better position than we were in the years immediately preceding and following the Second World War? The answer is an unequivocal yes.

I do not want to underestimate the dangers and disappointments of the contemporary world or the magnitude of unsolved problems. I do say, however, that the response of the Canadian people and of successive Governments to the challenge of world affairs has been the right one.

We have recognized common dangers in the world, admitted our dependence on others in meeting those dangers and thus developed our real strength in collective action. We have made a contribution to world affairs arising less from traditional attributes of power than from a desire to achieve a world community in which all nations could find a secure and prosperous place. We have met dangers and serious problems with a vigorous but controlled response. We can all take some pride in this....

JUVENILE DELINQUENCY

There were 15,591 Canadian children under 16 years of age adjudged delinquent by the courts in 1963 for breaches of the Criminal Code, federal and provincial statutes and municipal by-laws, compared to 14,519 the previous year. This represented a 7.4 per cent increase, which followed an 8.7 per cent increase the previous year; but allowances must be made for improved coverage and population growth.

Of the 15,591 children found delinquent, 14,087 appeared once in court, 1,178 appeared twice and 326 appeared three times or more. Total appearances resulting in a conviction numbered 17,556, an increase of 5.7 per cent over the previous year. Of the total number of delinquent children, 12,770, or 81 per cent, had no delinquent appearances before the court in previous years and 2,821, or 19 per cent, had one or more delinquent appearances in previous years. Total court appearances rose 6.3 per cent.

The number of boys placed on probation decreased from 8,242 in 1962 to 7,852 in 1963. The number of girls placed on probation decreased from 954 in 1962 to 902 in 1963.

TYPES OF OFFENCE

Some of the delinquencies under the Criminal Code included 5,375 thefts (5,472 in 1962); 1,079 auto thefts (905); 47 robberies (136); 3,817 breaking and entering (3,427); and 348 disorderly conduct (670).

The police brought 83.7 per cent of the cases before the courts, parents or relatives 3.2 per cent, and the remaining 13.1 per cent were brought by probation officers, schools, social agencies and other sources.

Final dispositions resulting from the 19,886 appearances showed 776 cases, or 3.9 per cent, were dismissed; 1,554, or 7.8 per cent, were adjourned *sine die*; and 17,556, or 88.3 per cent, resulted in a finding of delinquency.

Of the 17,556 delinquents, 47.2 per cent were released on probation to the courts and 2.6 per cent to the parents, 14.0 per cent were fined, 11.6 per cent were sent to training schools, 23.7 per cent were reprimanded or had the final disposition suspended, 0.6 per cent were detained and 0.3 per cent were sent to mental hospitals.