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Export agency prepares to meet future challenges

Despite intensified international competition and less than favourable economic conditions, 1979 was a year of strong performance for the Export Development Corporation (EDC). But a "concerted effort" will be required if Canadian exporters are to maintain 1979 levels in 1980, according to a statement by EDC president Sylvain Cloutier in the Corporation's 1979 annual report. Excerpts from his statement follow:

Export transactions supported by financial arrangements with which EDC was associated in 1979 through its loans, insurance and guarantee services totalled \$3.7 billion. Of this amount, the Corporation's insurance services facilitated the sale of Canadian goods and services in the net amount of \$1.6 billion (a further \$0.4 billion was both financed and insured). Lending transactions, excluding lines of credit, reached a total of \$2.1 billion in 1979. All borrowings during 1979 to fund the lending transactions of EDC were undertaken by the Corporation in its own name in the domestic and international money and capital markets. Net earnings for 1979 amounted to \$42.2

million, an increase of \$10.5 million over 1978....

Encouraging business ventures

Lines of credit continue to be an important financial instrument available to the Corporation for the encouragement of new business ventures in creditworthy countries showing potential demand for Canadian capital goods and services. Through these instruments a foreign country is assured that funding will be available from EDC on agreed terms of repayment to finance Canadian exports. In 1979 the Corporation signed an unprecedented \$2-billion line of credit with the Peoples Republic of China for the next



Signing of financing agreement for the sale of two DASH-7 aircraft by De Havilland Aircraft of Canada Ltd. to Yemen Airways March 27 are, from left to right: M.A. Kirby, legal counsel, Yemen Airways; W. Craig, manager, sales financing, De Havilland; A.S.A. Karim, vice-chairman, Yemen Airways; R. Van Adel, assistant manager, Middle East Area; Sylvain Cloutier, president of EDC; G.R. Smith, manager, Middle East Area; J. Arès, vice-president, Operations Division; S.A. Gillies, corporation secretary. Yemen Airways is the national airline of the Yemen Arab Republic (North Yemen).

Fourteen years ago this week...
An Act establishing the Science Council of Canada was passed.

five years. At year end a total of seven lines of credit were in place, with a total of \$4.5 billion available for allocation.

...Canadian chartered banks and other financial institutions are involved to a very great extent in EDC financing. During 1979, total commercial bank involvement exceeded \$624 million. Of this amount approximately \$252 million was provided in the form of participation and guaranteed loans, and approximately \$372 million in related co-lending and parallel financing arrangements without recourse or guarantee by EDC.... EDC shares with the Canadian banking community a common interest in providing financial support to Canada's exporters. The pooling of appropriate resources and services ensures that such support is readily available.

Reduced risk

An important element in facilitating appropriate levels of export financing is the Corporation's insurance services. By providing credit insurance and related guarantees, EDC permits Canadian exporters to operate internationally with reduced risk and without impairment of their domestic lines of credit. The over \$1.6 billion of insurance services which were thus provided during 1979 is indicative of the extent to which the importance of such services was recognized. This amount is down from the unusually high level of \$2.5 billion achieved in 1978 which included coverage for a Bell Canada project in Saudi Arabia exceeding \$1 billion. It does, however, still demonstrate good underlying growth over the previous high volume of \$1.3 billion in 1977. In addition, during 1979 there was approximately \$430 million of insurance issued in respect of transactions which were also financed by EDC; this illustrates the importance of comprehensive financial packages through which EDC provides both financing and risk protection.

...In 1976, the Corporation began funding a portion of its disbursements by borrowing in public and private capital markets. During 1978 and 1979 all of EDC's borrowing requirements were met in this fashion: \$298 million in 1978 and \$576 million in 1979, for a total of \$1.3 billion since 1976.

Because the Corporation can choose the timing of, and the most appropriate market for its placements, it is in a good position to achieve the lowest possible borrowing costs. In particular, EDC's



A 50-ton, stainless-steel-lined Batch Digester is loaded at the Port of Montreal. The Digester, manufactured by Horton/CBI of Fort Erie, Ontario is being exported by H.A. Simons (Overseas) Ltd. to a sulphite pulp mill in Ruzemberok, Czechoslovakia. The \$300-million project was financed by loans of \$218 million by EDC, and \$80 million by a consortium of Canadian banks.

capacity to borrow offshore has been advantageous. As a consequence, the Corporation's funding activity has been conducted on a basis which compares quite favourably with the practice followed in earlier years of borrowing from the Government.

Export performance and prospects

Despite the fact that in dollar terms Canadian export performance was satisfactory during 1979, growth of exports in volume terms continued its downward trend. Various factors have contributed to this decline. Most important is the slowdown in economic growth in the industrialized countries which make up [Canada's] major markets. Since 1974, the year when OPEC oil price increases began to be felt, the historic average growth rate for industrialized countries has been virtually halved. In addition, the growth in world trade has declined as oil-importing countries sought to limit balance of payment deficits arising from increasing energy costs.

Of greater concern, however, is the fact that Canada has continued to lose ground in terms of its relative share of world trade — from 5 per cent in 1975 to 3.9 per cent in 1979. Here, again,

a major factor is a lower demand in [Canada's] traditional markets and severe competition in new markets such as in OPEC countries.

The prognosis for 1980 does not provide much confidence for improvement in international economic conditions. Globally, GNP growth rates for the OECD countries are expected to slow to below 1 per cent as compared to approximately 3 per cent in 1979. In the U.S., a market which absorbs approximately 70 per cent of Canadian exports, continued economic growth is very uncertain. In terms of export volumes, total world trade for the OECD countries may rise by only 3 per cent, compared to 5 per cent in 1979, reflecting both a sluggish growth rate in individual countries and a weakening demand from non-oil developing countries.

Concerted effort required

A concerted effort by Canadian exporters will be required just to maintain the levels in real terms reached during 1979. A recession in the United States could mean a decrease in the volume of Canadian exports to that market. Exports to other countries are expected to increase, but once again, given expected competitive export drives from competing export-oriented countries and limited market growth, exceeding in 1980 the 24 per cent current dollar growth realized in 1979 presents a very real challenge. Another concern will be the probable slowing down of decision-making processes relating to very large projects. The overall effect will be a decline in global demand for key employment producing capital goods exports and for high technology goods, both of which produce significant economic spin-offs for Canada.

There is no doubt that 1980 will be a year of challenge. To date, Canadian exporters have been successful in facing the challenges presented, as witnessed by the growth in EDC's activities. Certainly this aggressiveness will continue to be an important factor. Projected business volumes for the Corporation as we enter the 1980s indicate strong intentions. However, the increasingly competitive and challenging environment and the fact that EDC financing continues to help support virtually one-half of the exports of capital goods and services outside North America magnify the vital importance of EDC continuing to work closely with exporters to

(Continued on P. 8)

Embassy in Ecuador

Secretary of State for External Affairs Mark MacGuigan has announced that Canada will re-establish an embassy in Ecuador.

Canada established diplomatic relations with a resident embassy in Ecuador in the early 1960s. The embassy was closed in 1970 when austerity measures required the closure of a number of Canadian posts abroad although diplomatic relations continued to be maintained by the accreditation of the Canadian Ambassador resident in Bogota, Colombia.

Ecuador and Canada have consulted closely on Law of the Sea negotiations and international fisheries questions. The re-establishment of an embassy in Quito will facilitate trade and economic cooperation and will also enable better consular and other services to Canadian residents and visitors to Ecuador and to Ecuadorian citizens visiting Canada.

Bank act changed

Finance Minister Allan MacEachen has introduced a bill in the House of Commons to establish the legislative framework for Canada's banking system over the next ten years. The basic principle of the proposed changes to the Bank Act and related statutes is to increase competition and efficiency in the financial system.

The bill, except for minor technical changes, is the same as Bill C-14, which was introduced in the last Parliament, but was not proceeded with before Parliament was dissolved.

The basic proposals are designed to ensure that the banking system is national in scope, controlled by Canadians and as competitive as possible.

The proposals are divided into four main groups. One group is designed to increase competition by providing easier entry of new or existing Canadian-owned institutions to the banking system.

A second group relates to the role of the subsidiaries of foreign banks in the Canadian banking system. The objective is to recognize the presence of existing institutions and to accord to them and to subsidiaries of other foreign banks a competitive role in the federal system, while at the same time ensuring that the Canadian banking system remains pri-

marily Canadian-owned and -managed.

A third group would establish a Canadian Payments Association to ensure that the national payments system in Canada will evolve in a manner that is fair to all participants, is responsive to technological change and is efficient.

A fourth group is designed to strengthen competition in the financial markets by constraining the business powers of banks in some areas such as data processing and underwriting of corporate securities while at the same time extending the powers of the banks to include financial leasing and factoring.

Canadians attend royal ceremony

Governor-General Edward Schreyer and his wife Lily Schreyer represented Canada at the ceremony of accession to the throne of Princess Beatrix of the Netherlands on April 30 in the fourteenth century Cathedral Nieuwe Kerk (New Church) in Amsterdam.

The Governor General and his wife constituted a special delegation on this occasion underlining the close ties which exist between Canada and Holland.

Transportation funds increased

Employment and Immigration Minister Lloyd Axworthy has introduced a bill in the House of Commons to increase the total amount of money that can be loaned out at any one time for transportation purposes from \$20 to \$60 million.

The revolving fund, established in 1951, is used to make transportation loans to certain groups of immigrants and interest-free loans to refugees.

"The adjustment to the ceiling placed on the fund is necessary to assist the 60,000 refugees who will be coming to Canada by the end of this year," Mr. Axworthy said. Other reasons for expanding the fund include higher transportation costs and the distance the refugees must travel to come to Canada.

Between 1951 and 1979, \$79 million in loans had been made to immigrants and refugees to help them to resettle in Canada. The general rate of reimbursement is about 95 per cent, Mr. Axworthy said. While the figure applies to all loans, the repayment rate by refugees is higher than the average, he said.

Children to stabilize labour force

With post-war "baby-boom" children coming of age, Canada's labour force in the 1980s will feature more experienced workers and a subsequent increase in production, the Bank of Montreal's latest *Business Review* predicts.

Workers between the ages of 25 to 65 will make up about 80 per cent of the total work force by 1990, compared with 73 per cent in 1979, the review says.

"This much larger group of mature experienced workers will undoubtedly give more stability to Canada's work force in the coming decade and can be expected to lead to an increase in over-all productivity," it says.

But Canada could face a labour shortage in the 1980s, as jobs may exceed the number of young people entering the job market.

Meanwhile, the number of women entering the work force, which jumped to 40 per cent from 31 per cent in the 1970s, is expected to continue rising.

"Our calculations indicate that women may reach 45 per cent of the work force in 1990. By the year 2000, women could constitute almost half of the total work forces," says the report.

The movement of jobs and population towards western Canada will also continue, it says, adding that this trend could be offset if recent oil and gas discoveries off the east coast of Newfoundland turn out to be major finds.

Trade mission to North Africa

An agricultural trade mission, organized by Agriculture Canada and Industry, Trade and Commerce, travelled to Algeria, Morocco and Tunisia April 12-25.

Led by Agriculture Canada's Deputy Minister Gaétan Lussier, the mission included agribusiness representatives, food industry and producer groups, and federal and provincial government officials.

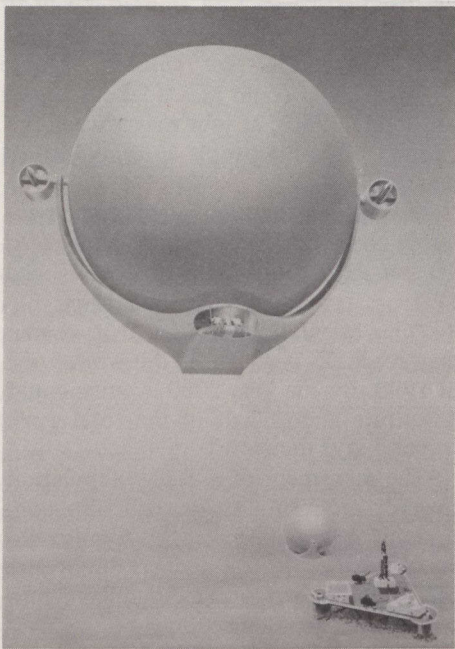
At the present time, Canada exports mainly grains and oilseeds to these North African countries, and evaporated milk to Algeria.

The trade mission examined the possibilities of exporting other food products and agricultural technology (including agricultural machinery, tobacco, potatoes, poultry products, cattle, dairy products and milk processing equipment).

New lighter-than-air craft boon to construction industry

A Canadian company has developed what is considered to be a revolutionary lighter-than-air vehicle which could prove to be a breakthrough for the heavy construction industry, reports Kerry Diotte in the *Ottawa Journal*, March 31.

The vehicle is the *LTA 20-1*, engineered by the Van Dusen Commercial Development Corporation of Ottawa. It is a helium-filled, 48-metre (160 foot) diameter sphere that is driven by twin-engine turbines and is outfitted with a gondola.



The LTA 20-1 is designed to carry cargo and move heavy construction materials.

The craft has been designed primarily to move cargo and heavy construction materials to remote or inaccessible areas, a task now normally handled by skycrane helicopters.

All concept engineering designs have been completed for the *LTA 20-1* and the craft has three U.S. aerospace design endorsements and 15 patents.

At a projected unit cost of \$4.5 million, the *LTA 20-1* would be cheaper than both the Sikorsky and Boeing Vertol skycranes, which sell for about \$9 million and \$11 million, respectively.

Heavy loads

The craft's operating costs are estimated at about 24 cents *per* ton a mile, compared with the rival Sikorsky which costs about \$2 *per* ton a mile to operate.

The *LTA 20-1* would be able to reach altitudes of 3,000 metres (10,000 feet) and speeds of up to 130 kilometres an hour when fully loaded with 38,250 kilograms (85,000 pounds) of cargo. In contrast, the Boeing Vertol, currently the largest skycrane helicopter in the world, has a maximum payload of 12,600 kilograms.

Fred Ferguson, president of the company, said the *LTA 20-1* design overcomes two fundamental difficulties with traditional lighter-than-air vehicles.

Helium-filled

He explained that traditional blimps must carry the same weight at all times to maintain their altitude and stability. "If a craft drops off a payload of 10,000 pounds, it must then fill up with 10,000 pounds of water or lead weight before it can return for another load of materials," he said.

The Van Dusen design overcomes the problem by using high pressure helium gas contained within a sphere of specially-resistant plastic so traditional ballasting is not required.

The spherical shape of the balloon solves the "weather-vane" effect. "We've overcome the aerodynamics problem of the sphere shape by allowing it to rotate on an axis and by roughening the outside surface to give it lift. You could compare it to the design of a golfball," Mr. Ferguson said.

New gas pricing formula

Energy Minister Marc Lalonde met with U.S. Energy Secretary Charles Duncan, March 24, to discuss gas export pricing.

The meeting clarified the basis upon which export prices will change in the future, and will therefore minimize the possibility of misunderstandings, said Mr. Lalonde.

The new pricing formula will continue to be based on the substitution value concept, which links the price of Canadian gas exports to the cost of Canadian oil imports, said the Minister. A new export price will be calculated on the first of every month, and if it changes by more than 15 cents (U.S.), it will be implemented 90 days later.

The purpose of the lag is to ensure that Canadian gas will remain competitive with alternative fuels in the U.S. At the same time, Mr. Lalonde noted, the

monthly calculation will allow Canada to react immediately to changes in world oil prices. The purpose of the 15-cent trigger (which is equivalent to about 90 cents a barrel) is to eliminate administrative problems that would accompany frequent small changes in the export price.

This is a financially sound arrangement for Canada, the Minister said. It should prevent disruptions in Canadian exports, while at the same time ensuring that revenue received will offset higher oil import costs.

Afghan refugees in Pakistan

Canada will contribute \$2 million to the international appeal of the United Nations High Commissioner for Refugees (UNHCR) on behalf of the Afghan refugees in Pakistan, Secretary of State for External Affairs Mark MacGuigan has announced.

During the past year, over 680,000 refugees have fled their homeland and sought refuge in Pakistan. Since the Soviet invasion of Afghanistan in late December, the exodus has accelerated. The Government and people of Pakistan have responded to this unexpected and heavy burden in an admirable and generous way.

In addition to its own refugee assistance program, the Government of Pakistan has appealed to the international community for humanitarian assistance. In response to this appeal, the United Nations High Commissioner for Refugees and the International Committee of the Red Cross have initiated major relief programs to provide basic food rations, medical care, clothing and shelter. Canada very recently contributed \$400,000 to the Afghanistan refugee program of the International Committee of the Red Cross.

In announcing the \$2 million contribution to the UNHCR, to be drawn from the Canadian International Development Agency's funds, Dr. MacGuigan noted that, as well as being a humanitarian gesture, the contribution is part of Canada's over-all response to the Soviet invasion of Afghanistan which has been condemned by the international community. He added that Canada has joined many other countries in offering humanitarian assistance to the victims of civil strife and foreign invasion.

Mental health conference

The American Orthopsychiatric Association, for the first time in its fifty-seven year history, held its annual conference in Canada April 7-11.

The purpose of the conference, which was held in Toronto, was to bring together top academicians and practitioners in an exploration of current mental health problems.

The theme of the conference, which was expected to attract over 4,000 participants, was "Economics of Mental Health: Political Origins and Clinical Implications". A feature of the conference was a series of two-day workshops providing 12 hours of in-depth exploration into special areas of interest. Among the topics discussed were bonding and attachment, child abuse, adolescent borderline treatment, depression in adolescence, women and therapy, aging, cross-cultural issues in therapy and family therapy.

Conference organizers said that the meeting of Canadian and American practitioners, who must deal with many similar problems but have diverse backgrounds, would lead to more effective and innovative ways of providing service in the face of growing economic restraint in the mental health field.

Canada-Zimbabwe relations

A number of steps have been taken to develop Canadian relations with the new State of Zimbabwe, Secretary of State for External Affairs Mark MacGuigan announced in Salisbury April 19.

During his attendance at the independence ceremonies for the former colony, Dr. MacGuigan conveyed a message from the Governor-General of Canada Edward Schreyer, welcoming Zimbabwe's emergence as a sovereign state. Delivery of this message also constituted Canada's formal recognition of the new State and Government.

The Canadian and Zimbabwe Governments agreed that diplomatic relations would be established at the level of High Commissioners and that Canada would open a mission in Salisbury in the near future. In the interim, Canada will be represented by Terence Bacon, Canadian High Commissioner resident in Lusaka, Zambia.

International coal board members named

The International Energy Agency (IEA) has appointed three Canadians to the Coal Industry Advisory Board (CIAB), which met for the first time in Paris April 24 and 25.

Nominated by the Federal Government and subsequently appointed by the IEA were R.C. Gilmore, vice-president of marketing and sales for CP Rail, Montreal; J.H. Morrish, president and chief executive officer of Fording Coal Limited, Calgary; and Milan Nastich, president designate of Ontario Hydro, Toronto.

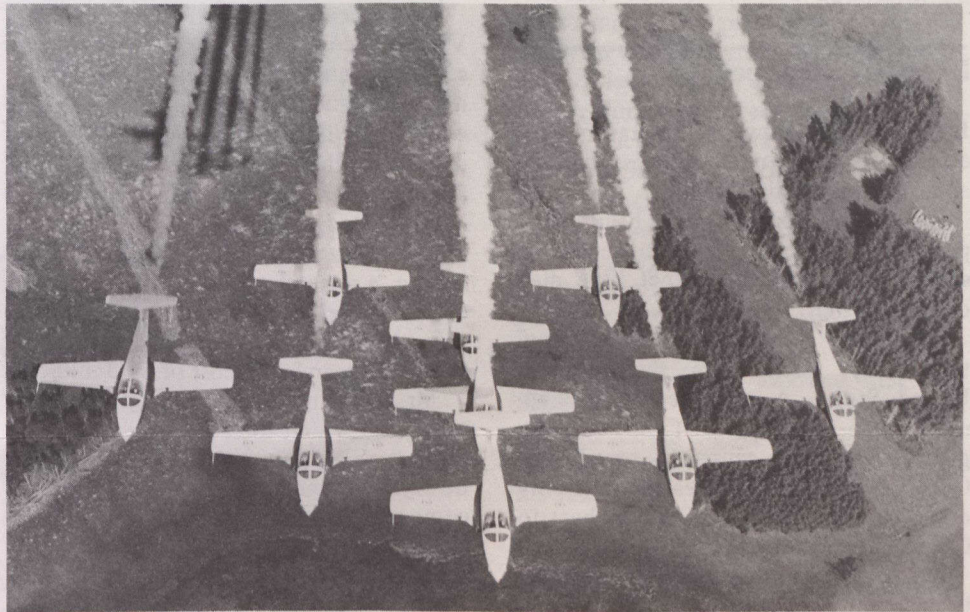
A total of 33 representatives have been chosen from 12 IEA member countries for their high standing in the coal production, trade, transportation and utilization industries. The CIAB complements the IEA's long established oil Industry Ad-

visory Board.

The CIAB was established following an IEA ministerial meeting last year, in which Canada joined other member countries in adopting principles for IEA action on coal and procedures for review of IEA countries' coal policies. Through the assistance provided by the CIAB, the IEA hopes to facilitate increased consumption, production, and trade in coal, which is considered essential to reduce the current dependence on imported oil and, thus, contribute to a better world energy balance.

The Coal Association of Canada, which represents virtually all those interested in coal in Canada, has accepted as its own policy the IEA coal principles as they may apply in Canada.

Canadian Forces' Snowbirds fly in spring



Canadians will once again be treated to the high precision flying display of the Canadian Forces "Snowbirds" in 1980. From late spring to early fall, the "Snowbirds" will demonstrate their aerobatic skill as they participate in 63 airshows at 49 locations. Officially designated 431 Air Demonstration Squadron and based at Canadian Forces Base Moose Jaw, Saskatchewan, the nine pilot Snowbird team flies the Canadian Forces standard jet training aircraft – the CT-114 Tutor. They are assisted by a ten-member team of specialists in engines, airframes, instruments, communications and safety systems. The "Snowbirds" will participate in such major airshows as those in Toronto, Abbotsford and Edmonton, as well as contributing to Canada Day festivities in Ottawa. A few of the other locales are St. John's, Newfoundland; Summerside, Prince Edward Island; Moncton, New Brunswick; Quebec City; London, Ontario; and Yorkton, Saskatchewan. The shows in Montreal on September 27 and 28 are being held in conjunction with the Canadian Grand Prix auto race. Leading the team once again is Major Tom Griffis, 39, of Toronto, a jet pilot with over ten years at the controls.

Leprosy aid found

After 28 years of research, a Canadian doctor has developed cultured bacilli similar to leprosy.

Dr. Laszlo Kato, a consultant on leprosy for the World Health Organization in Geneva, says the development is a major step towards finding a cure for the disfiguring disease.

Dr. Kato, who moved into a small lab at the Catherine Booth Hospital in Montreal last year after retiring from the Institute Armand Frappier at the University of Quebec, is reluctant to call the bacilli leprosy since they were developed in a test tube and not in the field.

But he said they have most of the properties of leprosy bacilli and react to the same drugs.

World Health Organization statistics show that there are about 15 million lepers in the world, most of them in Africa, India and South America. Canada is home to about 100 lepers.

Bringing in the bees

Bees are not known as migrators, but every spring large numbers cross the Canadian border heading north.

Beekeepers across Canada have to import both worker and queen bees in the spring to replace those that have died over the winter.

Most bees are shipped in special containers by truck from the southern United States. A more recent development is to ship bees to Canada by airplane to cut losses caused by travel time. Queen bees from New Zealand, the only other country allowed to export bees to Canada, are also flown in.

At border points and airports, bees are inspected to ensure no diseases or pests come in with the shipments. Inspectors in the United States also examine the bees before they are packaged for shipment.

The federal agriculture department sets a number of restrictions on bees imported into this country.

"Bees cannot be shipped on combs, and honey cannot be used to feed them in transit. They should be fed with a sugar syrup," said W.J. McElheran of Agriculture Canada's animal health directorate.

In addition, no used hives and hive equipment are allowed into Canada from

other countries. Combs, honey and equipment are all potential carriers of disease.

"The worst diseases are American foulbrood and European foulbrood. Both are caused by bacteria that attack young bee larvae," Dr. McElheran said.

"This year, we will also be keeping a close eye on bee imports from the U.S. because of the recent finding of several Varroa mites there," he said.

The mite, which attacks and sucks the juices from adult bees, is a major scourge of bee hives in some parts of the world. Two kinds of bees are imported into Canada, honeybees and leafcutter bees. Leafcutter bees, imported only from the U.S., are used in western Canada for pollination of alfalfa crops.

Calf vaccine a breakthrough

Scientists in Saskatchewan have developed a vaccine for newborn calves which is expected to cut cattle losses in Canada by millions of dollars annually.

The vaccine, marketed under the name Vicogen, combats a bacterial infection called a calf scour which strikes many newborn calves during the first five days of life. The infection causes diarrhea and dehydrates the young calves, killing about 3 to 5 per cent of those born each year.

Paul Hodgman, executive officer of the Veterinary Infectious Disease Organization, a research group at the University of Saskatchewan that developed the vaccine, said that it was developed during ten years of research at a cost of \$1.5 million.

Mr. Hodgman said his organization's studies show that the vaccine, which costs farmers about \$5 a cow, will save the industry more than \$70 million annually. It combats only bacterial scours, and not viral and other scours which are not usually fatal.

The discovery, considered to be the first of its kind in the world, came on the market in time for this calving season and has been injected into about 500,000 pregnant cows, about 10 per cent of all those (pregnant cows) in Canada.

Preliminary results from Ontario and western Canada show the vaccine is effective, but it is too early for exhaustive results. The vaccine is injected into a pregnant cow in two doses, six weeks and three weeks before delivery. The antibodies resulting from the vaccination are passed to the newborn calf within six hours of birth through the first milk, or colostrum.

Jeans altered instantly

When fashion designer Linda Lundstrom could not find a pair of blue jeans to fit her properly, she designed a pair that could be altered instantly.

Using a stretch denim imported from Japan, Lundstrom has come up with jeans to fit women's hip and waist sizes — all the buyer needs are a few minutes and a pair of scissors.

In addition to the final seam, there are three rows of removable stitches in the back of the pant. As each row is removed, the wearer gets an extra inch at the waist.

"If a woman has large hips and a small waist, she'll buy to fit her hip measurement and wear the jeans as is," Lundstrom says. "If she has another figure type, she'll also buy to fit her hip measurement and then have three choices of waist sizes with that pair of jeans."

The idea is revolutionary: Lundstrom has a patent pending on her sleek, straight-legged jeans, and the response to them since they hit the market in mid-January "has been overwhelming".

Five thousand pairs have been purchased by women across Canada and the designer says "We're having enough of a time just keeping up with the demand."

New union formed

Canada's two most important chemical, oil and atomic workers' unions have merged to form the new Energy and Chemical Workers Union (ECWU).

The ECWU is the result of the merger of the 20,000 Canadian members of the Oil, Chemical and Atomic Workers International Union (OCAW) based in Denver, Colorado, the 8,000 members of the independent Canadian Chemical Workers Union (CCW), and some 1,500 textile workers currently affiliated with the Quebec Federation of Labour.

The Canadian district of OCAW was granted autonomy from its American-based parent union at an international convention of the 180,000-member union last August. The ECWU, however, will maintain "an organizational interrelationship" with OCAW in the United States, including sharing an international pension fund. ECWU will also maintain the OCAW affiliation to the Canadian Labour Congress. The CCW broke from its American-based parent in 1975.

News of the arts

Canadian folk art acquired

The National Museum of Man has acquired a new collection of Canadian folk art, tapping a wealth of paintings, needlework, carving and ironwork created as hobbies.

Wes Mattie, curator of the museum's centre for folk culture studies, said when the Price collection was unveiled recently that the 256 items ranging in size from table-top miniatures to life-size wood and metal statues, represent an art form being explored by antique collectors.

The people's art

"Folk art can be called art by the people, for the people and of the people, and to many buyers, if you touch on any one of those bases you've got yourself a collector's item," said Mr. Mattie.

Ralph and Patricia Price, who live near Oshawa, Ontario, began collecting the pieces in 1966. They said the collection, which they presented to the museum as a half donation, half purchase, sprang from shopping which began originally as a search for furniture.

Most of the objects, some date from the 1790s, were simply the products of hobbies enjoyed by housewives and tradesmen. Much of the work was done by those with time on their hands, such



Michel Lafleur

A relief sculpture of an angel by Sam Spencer, a hermit from Saskatchewan.

as senior citizens or trappers.

Got into it early

Museum officials say development of the Price collection of pieces from Ontario, Quebec and the Maritimes was made easier by their early entry into the market.

Curators and antique dealers see a growing interest in folk art by collectors and investors as a booming market dries up the best sources of furniture and other traditionally sought antiques.

NFB film wins Oscar

For the third consecutive year the National Film Board has won the coveted Oscar in the best animated short film category from the American Academy of Motion Picture Arts and Sciences.

Every Child, directed by Eugene Fedorenko and produced by Derek Lamb, is Canada's contribution to an hour-long UNICEF production made in celebration of the International Year of the Child. The film illustrates one of the ten "Principles of the Declaration of the Rights of the Child", namely that every child is entitled to a name and a nationality. Translating this abstract principle into concrete terms required the collaborative efforts of the writer, filmmaker and Les Mimes électriques, a Montreal-based mime company.

Every Child was one of four National Film Board films nominated for academy awards. The other nominations were *Bravery in the Field* (live-action short), *Going the Distance* (documentary feature)



Nobody wants the baby in the NFB film Every Child.

and *Nails* (documentary short subject).

This year's recognition from the Academy follows on a series of recent successes: *I'll Find a Way*, won the award in 1978 for best animated short; and *Sand Castle* received an Oscar for best short subject animation. In 1979, *Special Delivery* won the award for best animated short.

Wildlife film wins award

Bears and Man, a film about the intrusion of man on grizzly territory in the Rocky Mountains, has been awarded the 1980 Wildlife Society Award.

The film, produced by Bill Schmaltz for the federal parks department, was shot over four summers in the Rocky Mountains. A wildlife consultant was mauled to death by a bear during filming.

The film has also won an award at the International Wildlife Film Festival and an educational award from the Alberta Cinematographers Association.

Canada-Switzerland literary prize established

The Canada Council and the Swiss Fondation Pro Helvetia recently signed an agreement creating the Canada-Switzerland Literary Prize.

Worth \$2,500 (or the equivalent in Swiss francs), the prize will be awarded each year alternately to a Canadian writer and a Swiss writer for a work published in French during the preceding eight years. Poetry, fiction, drama and non-fiction will be eligible. In addition to works written in French, the prize may also be given for the French translation of a work written originally in English by a Canadian author, or of a work written originally in German, Italian or Romansh by a Swiss author.

The prize will be awarded first to a Swiss writer, whose name will be announced during the Salon du Livre, to be held in Montreal from November 25-30 this year.

Under the terms of the agreement, the Canada Council and the Fondation Pro Helvetia will each name a five-member jury. This year, a Swiss jury will select six to eight eligible Swiss writers and will submit their names to a Canadian jury for selection of the winner. Next year, the process will be reversed.

Swiss recipients will receive their prize at a ceremony held in Canada, and Canadian recipients will receive their prize in Switzerland. Guest lectures, seminars, and radio and television appearances will be arranged for the visiting recipient in the host country.

The prizes will be financed equally by the Canada Council and the Fondation Pro Helvetia.

Export agency (Continued from P. 2)

seize opportunities. Timely responses to these opportunities will make such co-operation ever more essential....

Competitive environment

The Canadian exporting community has already indicated its concern about the developing competitive environment and the consequential requirement for competitive financing services. The Export Promotion Review Committee – the “Hatch Committee” – urged in its recent report that exporting become a national priority and recommended that EDC establish increased facilities to compete with the often heavily subsidized programs of other countries.

...EDC and government officials are currently examining the export financing policy implications of the report with a view to making early recommendations to the Government as to desirable changes in the role of EDC and the nature of the financial framework between the Corporation and the Government....

Canada has always had to fight particularly hard to be internationally competitive, a condition which stems in part from the size of our domestic market and the importance of exports to [its] over-all economic performance. Many Canadian firms must overcome difficulties of productivity and other factors rooted in the problems of domestic economic conditions. Yet, as we enter the decade of the Eighties Canadian exporters can accept the export challenge posed by both domestic and international factors with the full assurance of EDC's commitment to competitive facilities. Through the development of new facilities, the improvement of existing services, and an ongoing evaluation program, the Corporation is well equipped to respond.

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News briefs

Representatives from Canadian chartered banks attended the twenty-first Annual Meeting of the Inter-American Development Bank in Rio de Janeiro, Brazil April 14-15. For the ninth consecutive year, the Bank of Nova Scotia gave a reception for 1,500-2,000 delegates.

Twenty-one Canadians have received Lifestyle Awards in recognition of their contributions to the development of positive lifestyles in their communities, Health and Welfare Minister Monique Bégin has announced. The Lifestyle Award program is part of Health and Welfare Canada's working philosophy which encourages all Canadians to assume greater responsibility for their own health and well-being. Since the program was launched in 1977, 86 Canadians, representing every province and territory, have been honoured for the time and talent they have contributed to the development of health awareness.

The annual report of Crown Investments Corporation, the holding company for the Saskatchewan Government's Crown corporations, shows profits of \$108 million. CIC oversees 17 Crown corporations, approves capital construction budgets and corporate plans and also offers broad policy direction.

The Federal Cabinet has authorized the Export Development Corporation to lend Jamaica Railway Corporation up to \$3 million (U.S.) to finance a major portion of the purchase of railway equipment and services from Canron Inc. of Toronto, Sydney Steel Corp. of Sydney, Nova Scotia and other Canadian exporters.

The 1980-81 Nova Scotia Budget was introduced recently by Finance Minister Joel Matheson. The Budget contains a major increase in loan and development programs for farmers, fishermen and the mining industries. The government is also prepared to subsidize power rates by 10 per cent for at least another year to encourage over-all investment. There will be a reduction to 10 per cent from 12 per cent on corporate income tax paid by small business to be financed by an increase in the tax on larger businesses to 13 per cent from 12 per cent.

According to a study by a science research unit at Sussex University in Brighton, England, Canada's CANDU heavy-water reactor system is the best in the

world and should be adopted in Britain. The study analyzed the performance of nuclear plants around the world on the basis of type and size, and the CANDU system was rated number one in terms of performance and efficiency.

Scintrex Ltd., Downsview, Ontario, which designs and manufactures mineral exploration instruments, has signed a \$1.1-million contract to supply China's ministry of geology with a computer system that will interpret geophysical data obtained by a DHC-6 Twin Otter aircraft. The aircraft was recently delivered to China under an earlier contract with de Havilland Aircraft of Canada Ltd. and Scintrex, which provided special equipment.

Steel mill equipment and engineering services to the value of \$11 million are being provided by Ferrco Engineering, Whitby, Ontario, and various Canadian suppliers to Sheerness Steel Company Limited, Sheerness, England. This will cover modernization of the company's bar and rod mill, and on completion increase the mill's annual capacity by 175,000 tons to 600,000 tons. A financing agreement with the Whitby company covering the whole amount has been signed by the Canadian Export Development Corporation (EDC) – the third involving EDC and the Sheerness Steel Company.

Ontario Paper Company Ltd. of Thorold, Ontario has received a \$32-million incentive grant from the federal and Ontario governments. It will be used to assist the company in its \$260-million renovation of newsprint operations in Thorold and the upgrading of some equipment. About \$20 million will be spent on pollution abatement projects.

It's called *The Hockey Sock Rock* and it could become the biggest hit since *Disco Duck*. The record, cut by Phil Esposito of the National Hockey League's New York Rangers and The Ranger Rockers – John Davidson, Ron Duguay, Pat Hickey and Dave Maloney – is selling fast in North America. Proceeds from the 45-rpm record, which sells for \$2 and features on the flip side Dionne and The Puck-Tones with Charlie Simmer, Dave Taylor and Marcel Dionne of Los Angeles Kings singing *Please Forgive My Conduct Last Night*, go to the Juvenile Diabetes Research Foundation. More than 120,000 copies have been sold since the record was released December 27.