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Federal budget highlights new energy program

Finance Minister Allan MacEachen introduced in the House of Commons, October 28, a new budget designed to set "new directions for the economy — directions which will ensure both energy security and economic security for Canadians in the years ahead".

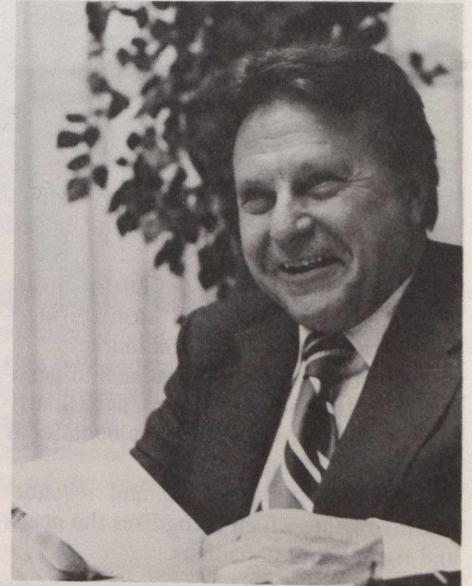
"While Canada is a net exporter of energy and is dealing from a basic position of strength, the chink in our armour is our dependence on imported oil.... The federal government feels compelled to put Canada's energy house in order," said Mr. MacEachen in his budget speech.

The Minister said the solution to the problem of decreased productivity and increased inflation was not a simple matter of ensuring an appropriate demand for goods and services. "There are no quick solutions," he said, "so we will need to be patient and plan in a longer-term framework. There are no single solutions either, so we need to combine structural, industrial and regional policies with the right setting of fiscal and monetary policy."

Economic strategy

The budget's strategy balances restraint with essential measures to help increase productive capacity. Its main elements:

- keep government spending within the rate of growth in the economy;
- reduce the budget deficit steadily over the next three years, with a modest reduction next year because of expected slow economic growth but larger declines as the economy picks up;
- avoid personal and corporate tax increases insofar as possible;
- support monetary policies that do not accommodate inflation;
- provide for major new expenditures in energy, economic development, industrial adjustment and manpower retraining;
- expand aid to the developing world;
- sustain social and economic assistance to those most in need;
- strengthen competitive forces in the economy and reduce the weight of gov-



Finance Minister Allan MacEachen

ernment regulation; and

- adopt an energy policy which continues protection for Canadians against violent shocks of Organization of Petroleum Exporting Countries' (OPEC) oil price increases, promotes the most economic use of energy and substitution of oil, and encourages development of new energy supply sources.

Reducing inflation

"These are the central elements. They are designed to ensure a steady reduction in the rate of inflation, the resumption of strong investment and productivity growth and the restoration, over time, of a fully-employed, strongly-growing, non-inflationary society," said Mr. MacEachen.

Expenditures restraint will achieve an appropriate reduction of the deficit. Thus a general tax increase has been avoided, and full indexing of personal income tax will continue for 1981 to avoid the tax increases that would result from inflation. Indexing will reduce federal personal income taxes otherwise paid next year by \$1,580 million.

The budget rules out new measures to

Eighteen years ago today...

Canada's application to hold a world's fair in Montreal in 1967 was granted by the International Exhibition Bureau.

limit the growth of prices and incomes, because of the inevitable government intervention and resulting inequities, and because there is little evidence of unreasonable price increases or wage demands.

"I want to make it quite clear that the pre-condition of our success must be the achievement of lower rates of inflation. If continued indexing is interpreted as a readiness to accommodate unlimited inflation rates, I may be faced with no alternative but to impose some limit on the indexing factor," said Mr. MacEachen.

National energy program

A series of measures were announced to begin implementation of the government's National Energy Program, set out in a paper by the Minister of Energy, Mines and Resources Marc Lalonde and tabled with the budget.

The program's three basic principles:

- security of supply and ultimate independence from the world oil market;
- opportunity for all Canadians to participate in the energy industry, particularly oil and gas, and to share in the benefits of its expansion; and
- fairness, with a pricing and revenue-sharing regime which recognizes the needs and rights of all Canadians.

Main elements

A blended oil price regime will produce a made-in-Canada oil price that will rise gradually and predictably. The price will remain well below world prices, and never more than 85 per cent of the lower of the price of imported oil or of oil in the U.S. so as to preserve a competitive advantage for Canadian industry.

The blended price of oil consumed in Canada will be an average of the costs of imported and of domestic oil. The mechanism for blending will be a petroleum compensation charge levied on refiners. The new regime will be phased in, shifting the burden of subsidizing high-priced crude imports from taxpayers to consumers of oil products.

Natural gas prices will increase less quickly than oil, thereby providing an incentive for consumers to switch from oil to gas.

Having abandoned an export tax on natural gas that would have captured part of the difference between the world price and the Canadian consumer price, the budget proposes a new federal tax on natural gas and gas liquids, beginning November 1 for domestic sales and next

February 1 for export sales, and increasing over the next three years.

A new tax of 8 per cent, effective January 1, 1981, will apply to net revenue from production of oil and gas in Canada.

The two new taxes will yield some \$11.7 billion over the next three years to the end of fiscal 1983-84, with the new revenues financing major spending initiatives in energy and a new Western Development Fund.

Effective April 1, 1981 marine and aviation fuel used in international transportation will no longer be eligible for the lower prices available to domestic consumers.

Half of federal revenues from existing export charges on crude oil will be remitted to the producing provinces, Alberta and Saskatchewan.

Oil revenues

The federal share of petroleum production income in recent years has been about 10 per cent, with producing provinces receiving somewhat more than 45 per cent and the industry receiving somewhat less than 45 per cent. Under the new program, over the period 1980 to 1983, the federal share will increase to about 24 per cent, that of producing provinces will be about 43 per cent and that of industry about 33 per cent.

Depletion allowances under the Income Tax Act for oil and gas exploration and development, which have primarily benefited large, mostly foreign-owned corporations, will be dropped or phased out except for frontier exploration and tar sands projects. A new system of direct incentive payments, structured to encourage investment by Canadian companies and individuals, with added incentives for exploration on Canada lands in the north and offshore will be put in place.

A natural gas bank will purchase natural gas from Canadian producers who, despite successful exploration efforts, face severe cash-flow problems because of market inaccessibility.

A new grants system will help homeowners convert from oil heating to natural gas, electricity and other fuels.

Market-development bonuses will encourage expansion of the natural gas distribution system.

Energy conservation measures will be expanded, including mandatory mileage standards for cars.

Renewable energy technologies will be

stimulated through research and demonstration programs and a new Crown corporation, EnerTech Canada.

Regional measures

A number of measures are addressed to particular regional concerns:

- extension of the natural gas pipeline system to Quebec City and the Maritimes to be ensured, with the price of gas delivered at Quebec City and Halifax held at the same level as Montreal and Toronto;
- a fund to support conversion of Atlantic region oil-fired electrical plants to coal;
- a \$4-billion Western Development Fund, of which \$2 billion will be spent in the next three years on economic projects in consultation with western governments;
- new funds to find ways of using large reserves of Cape Breton coal;
- an industrial energy conservation program and housing retrofit program in Newfoundland, Prince Edward Island and the Yukon and Northwest Territories; and
- federal equity to support hydro development on the Lower Churchill River in Labrador.

Canadian ownership

The energy program's objectives are to achieve: at least 50 per cent Canadian ownership of oil and gas production by 1980; Canadian control of a significant number of the major oil and gas corporations; and an early increase in the share of the oil and gas sector owned by the Canadian government.

A Canadian ownership levy will be introduced to assist in financing the acquisition of the Canadian operations of one or more multinational oil companies.

Expenditures

While expenditures this fiscal year are up 13.2 per cent under the impact of charges for oil import compensation and public debt, over the next three years growth in spending will be held within the trend growth of gross national product.

For the first time, expenditure limits have been set for the ten expenditure categories, or envelopes, reflecting the government's policy priorities.

Under the new energy direction, funding for existing and new programs will almost triple in 1981-82, excluding net petroleum compensation payments.

Funding for economic development

(Continued on P. 8)

Scientific exchanges with Romania

Canada and Romania have signed a memorandum of understanding to extend agricultural and scientific exchanges between the two countries. The agreement was signed in Ottawa, October 8, by Agriculture Minister Eugene Whelan and Romania's Minister of State for Foreign Trade and International Economic Co-operation Alexandru Margaritescu.

The memorandum is an umbrella document covering such items as the exchange of scientists and specialists, plant and animal scientific information, industrial technology for the production and processing of animal husbandry products, plant genetic material and activities that may be added by mutual agreement.

It calls for the formation of a Canada-Romania joint committee on agricultural co-operation as a forum for consultation and information exchange. This committee will consist of government representatives from both countries.

The memorandum will help bring into direct contact Canadian and Romanian governmental and non-governmental agencies and enterprises, including research organizations and firms and businesses in the agricultural field.

Areas of co-operation already scheduled for 1980-81 include exchanges of information on growing and extracting oil from rapeseed, the raising of dairy cows and the production of grains on non-irrigated land.

Assistance to earthquake victims

Canadian dairy farmers are donating 5,000 cases of evaporated milk as part of relief efforts in the aftermath of earthquakes in El Asnam, Algeria, Agriculture Minister Eugene Whelan has announced.

The gift of evaporated milk has a market value of about \$100,000 and will be distributed by ONACO, the Algerian government agency responsible for the purchase and distribution of such dairy products.

In this type of emergency, when normal water supplies quickly become contaminated, Canadian evaporated milk is particularly well suited for relief purposes because of its high nutritive value as well as being in liquid form.

The product will be in 410 gram cans; each of the 5,000 cases contains 48 cans.

Canada/United States fisheries pacts amended



L. Storsater

Secretary of State for External Affairs Mark MacGuigan (right) and United States Ambassador to Canada Kenneth Curtis (left) sign two documents pertaining to fisheries, in Ottawa October 15. The documents ratified Canada-American agreements amending the Convention for the Protection, Preservation and Extension of the Sockeye Salmon Fisheries in the Fraser River System, and the Convention for the Protection, Preservation and Extension of the Halibut Fisheries of the Northern Pacific Ocean and the Bering Sea.

Canadian government supports disarmament

The Canadian government views its participation in disarmament and arms control negotiations as one of the most important aspects of its foreign policy, Secretary of State for External Affairs Mark MacGuigan said October 23 in a statement marking Disarmament Week.

The Minister said that Canadian priorities in the area of disarmament are:

- to encourage the continuation of the SALT process;
- to promote the realization of a comprehensive multilateral test ban treaty;
- to assist in the preparation of a chemical weapons convention;
- to promote the evolution of an effective non-proliferation regime based on the Non-Proliferation Treaty;
- to participate actively in negotiations to limit and reduce conventional forces; and
- to strive, step-by-step, to ultimately achieve general and complete disarmament, consistent with the legitimate security needs of states.

The Minister said that Canadian government initiatives in the field of disarmament

include the convening semi-annually of a consultative group of representatives of Canadian non-governmental organizations which have a special interest in disarmament and arms control. The Department of External Affairs encourages greater research and information programs through financial assistance from its disarmament fund. The department also produces a newsletter on national and international disarmament activities for distribution to interested parties, said Dr. MacGuigan. The Minister also said that he had proposed that an autonomous association for arms control and disarmament be created to help expand activity and raise the level of debate on these issues.

Disarmament Week is held annually from October 24-30. Initiated in 1978 after the United Nations Special Session on Disarmament, the week is intended to emphasize the importance of mobilizing public opinion world-wide in support of disarmament and to underline the objective of the Final Document arising from the special session.

Gabonese Minister visits

The Minister and Secretary General of the government of the Republic of Gabon Louis-Gaston Mayila signed a memorandum of understanding establishing a Canada-Gabon bilateral commission during a visit to Canada, October 20-31.

The memorandum was signed on behalf of the Canadian government by Minister of Regional Economic Expansion Pierre De Bané. The bilateral commission will promote relations between Canada and Gabon in areas of mutual interest.

During his visit, Mr. Mayila also met with the Minister of State for Small Business Charles Lapointe and with officials of the Canadian International Development Agency and other government departments.

The Gabonese Minister's visit also included meetings with business leaders in Toronto and Montreal. Mr. Mayila also met with Mayor Jean Drapeau in Montreal and later travelled to James Bay to tour the hydro-electric project there. During a visit to Quebec City the Minister met with Quebec government officials.



Mr. Mayila (right) signs the memorandum of understanding establishing a Canada-Gabon bilateral commission. Mr. De Bané (centre) and Adolphe Monsard, director of the Eastern European Bureau of the Gabonese Department of Foreign Affairs (left), look on.

Satellite test centre opens

A national centre for testing and assembling large communications satellites and aerospace subsystems was recently opened by Communications Minister Francis Fox.

The David Florida Laboratory of the Department of Communications in Nepean outside Ottawa has just undergone a two-year, \$18-million expansion and upgrading program. The lab now offers Canadian industry a world-class facility to enhance its ability to compete for both domestic and export satellite and aerospace system sales.

Completion of the laboratory is part of the government's longstanding objective of developing a Canadian prime contractor capability for the supply of satellites and related space hardware, Mr. Fox noted in a brief address to 100 industry leaders and senior government officials attending the opening.

The laboratory now has a thermal/vacuum chamber big enough to handle satellites compatible with the U.S. space shuttle orbiter and enlarged vibration and anechoic chamber test facilities.

Canadian industry will pay for its use of the David Florida Laboratory on a rental basis. The first satellite *Anik C-2*, is scheduled to be checked out in the facility, in a few weeks.

Former Cabinet Minister dies

Judy LaMarsh, who served as federal Health Minister and Secretary of State under Prime Minister Lester B. Pearson, died of cancer in Toronto, October 28, at the age of 55.

Miss LaMarsh, a colourful and controversial minister who served in the Pearson administration between 1963 and 1968, was the only woman in the Cabinet and the second woman Cabinet minister in Canadian history.

As Health Minister and later Secretary of State, Miss LaMarsh is remembered for implementing the Canada Pension Plan, universal medicare and the Broadcasting Act, which regulates radio and television stations and networks in Canada. In 1967, she planned and presided over the federal government's celebrations of Canada's centennial.

Miss LaMarsh was born in Chatham, Ontario and as a child moved with her



Miss LaMarsh receives Order of Canada in Toronto hospital.

family to Niagara Falls, Ontario. During the Second World War, she enlisted in the Canadian Women's Army Corps and after intensive training was assigned as a translator of captured Japanese documents. She later took advantage of education benefits for veterans, taking a bachelor of arts degree at the University of Toronto and then studying law at Osgoode Hall Law School. In 1950, she joined her father's law practice in Niagara Falls.

In 1959, Miss LaMarsh was defeated in her bid for the Liberal nomination in the riding of Niagara. But in 1960 when the Liberal incumbent died she won the nomination and was elected to Parliament the same year.

Miss LaMarsh was active as a writer, lecturer, broadcaster, lawyer and university teacher after leaving politics in 1968. Last July, Governor-General Edward Schreyer bestowed on her the insignia of the Order of Canada for her years of public service.

Prime Minister Pierre Trudeau paid tribute to Miss LaMarsh saying that he had "vivid memories" of her as Health Minister developing Canada's social security program, which he said is now "the envy of the world", and as Secretary of State as "the major impresario" of Canada's centennial celebrations in 1967. Mr. Trudeau also described her as a successful and respected lawyer, a committed champion of women's rights, a best-selling author and "a deeply involved liberal partisan".

Telidon improves access to government information

The federal government has begun using Telidon as part of a program to improve public access to government information.

The system is currently in use in a federal service bureau opened recently in Edmonton to respond to inquiries by Canadians for government information. The Edmonton bureau is the first of a number that will be opened across Canada.

Telidon is a videotex system, or two-way television technology, developed by the Department of Communications at its research centre, near Ottawa. It allows users, by means of a hand-held key pad and telephone, to retrieve information from computer data banks on demand and have it displayed on a TV screen.

About ten Telidon pilot projects across Canada have already been announced. User groups include broadcasters, cable operators, telephone companies and various information-provider organizations. Sales of Telidon have also been made in the United States and Venezuela.

Inmate school program expands

The University of Victoria's (UVic) educational program for prisoners, the only one of its kind in Canada which enables a student to obtain a university degree while serving time behind bars, is expanding.

The federal government, which sponsors the program, this summer awarded a new contract to the British Columbia program to begin offering courses at William Head Institution in Metchosin, in addition to its offerings at Kent super-maximum security institution at Agassiz and Matsqui Institution in Abbotsford.

The initial enrolment of 25 students at William Head is unexpectedly high, says Henry Hoekema, program resident coordinator. Enrolment was expected to start at about 10 per cent — or ten to 15 students — of the inmate population.

Enrolment is voluntary. Matsqui has a record enrolment this year of 103 students.

The program, currently called the UVic program at Abbotsford and Agassiz, began in 1972.

The experiment was based on the theory that moral reasoning usually fol-

lows cognitive development. Studying liberal arts courses would encourage inmates lacking in cognitive development, moral reasoning and social skills to think about their perceptions of themselves and the world, and to compare their perceptions with those of others.

According to the theory, the social skills of prisoners would develop through the interaction with the university staff.

Mr. Hoekema points out that the program is unique, and it works. In a study comparing the recidivism rate of two matched groups of prison inmates, inmates participating in a minimum of eight months in the program had a recidivism rate of 14 per cent. The rate was 53 per cent for the matched group.

Defence Minister in Europe

Defence Minister Gilles Lamontagne recently returned to Ottawa following a tour of Canadian Forces units in the Federal Republic of Germany and Cyprus and a visit to Monte Cassino, Italy.

In Germany, Mr. Lamontagne visited units from 4 Canadian Mechanized Brigade Group participating in a North Atlantic Treaty Organization (NATO) exercise, "Certain Rampart", in the southwest area of Nürnberg.

While in Nürnberg, he met with General Fredrick Kroesen, commander of Central Army Group headquartered at Seckenheim.



Minister of National Defence Gilles Lamontagne (left) has a coffee break in the field while visiting Canadian troops on NATO exercise in West Germany.

The Minister also visited Canadian Troops on peacekeeping duty in Cyprus and toured their military installations and outposts.

Mr. Lamontagne also travelled to Italy to represent the Canadian government at a memorial service at Monte Cassino in memory of the Canadians who died during the 1944 battles for Monte Cassino.

Mr. Lamontagne also met with Italy's Defence Minister Lelio Lagorio for briefings and discussions on NATO related matters.

Company leads sales in underwater exploration vehicles

A Canadian company last year accounted for more than half the world sales of submersibles used in underwater exploration.

Since 1975, International Submarine Engineering Limited (ISE) of Port Moody, British Columbia, has sold 37 tethered, remote-controlled underwater vehicles. Sales more than doubled in 1979 reflecting the maturation of a technology that was still in its infancy in 1977. Performance this year is expected to be up again by about 10 per cent, said company president James McFarlane.

Basically the craft, produced at Port Moody, are powered underwater platforms linked to a mother ship by an umbilical cord. The machines are controlled by shipboard operators seated in front of television screens.

The vehicles vary in sophistication from a \$700,000-machine equipped with four manipulator arms and now in service recovering torpedos for the United States Navy, to a \$62,000, lightweight underwater inspection vehicle.

The latest development by ISE engineers is a tactile arm — a manipulator that transmits a sense of touch to an operator at the end of 4,000 feet of cable.

The company recently played a part in the search for the wreck of the British luxury liner *Titanic*, which sank 380 miles southeast of Newfoundland 68 years ago. During the three-week search — called off because of bad weather — the research ship *H.J.W. Fay* towed a sled loaded with sonar equipment at 12,000 feet, an unprecedented depth for this type of operation.

The fender and body of the sled were manufactured by ISE, while a U.S. associate produced the sonar electronic equipment.

Gold fever strikes again

It is being called the "1980 gold rush". More miles of creekbed were staked this summer in the Yukon than at the height of the Klondike gold rush, according to the reports by the area's mining record's office.

Soaring gold prices have sparked renewed interest in the gold-rich hills surrounding Dawson City and with the precious metal worth more than \$750 an ounce, even worked-over tailings left by turn of the century mining operators are being staked.

In the past decade alone the number of placer gold claims has jumped to 7,373 from 939. While the rush has failed to match the romantic stampede of 1898, when doctors and lawyers left their offices and workers dropped their tools to head for the Klondike, there has been no lack of interest from big corporations and large investors. Dawson City hotel rooms are hard to find and heavy equipment sales and truck rentals are booming.

Herbicide spreader saves energy

A Canadian company has developed an energy-saving way for ecology-conscious farmers to spread granular herbicides and insecticides.

Beline Manufacturing Company Ltd. of Kindersley, Saskatchewan has developed a spreader measuring from two to 30 or more metres in width, which is mounted on the soil preparation, planting and treatment machinery; this means one and even two fewer operations for the farmer. "Our secret lies in the electronic clutch and drive system installed on the tractor, controlled directly by the operator who can regulate the flow of granules from zero up to more than 40 pounds an acre," explained company president John Bourne.

Granular chemical products, which are no coarser than fine grains of salt, are part of the latest generation of chemical control formulas and are considered more acceptable from the energy and ecology standpoint. The Beline model has the advantage of eliminating at least one step in the soil preparation or planting procedure since the farmer no longer has to spread the granules first and then work them into the soil afterwards; these two operations are now done simultaneously.

Beline's first customers were Saskatchewan wheat growers and gradually the company managed to set up a distribution network in Saskatchewan and Alberta. "Today our spreader is sold by 46 dealers in North and South Dakota, Minnesota, Idaho, Montana and Washington," said Mr. Bourne.

The company has since turned to the countries of the European Economic Community. "We sent one of our spreaders to England on a trial basis. We'll have to modify it slightly to adapt it to European farming conditions," Mr. Bourne added.

Originally the spreader was designed for grain growers. Beline is now testing a new model for row crops grown in a number of regions of Ontario and Quebec.

Aid to Colombian food industry

A Canadian food scientist has helped Colombia move towards establishing a viable fruit and vegetable processing industry.

The South American country is a major exporter of fresh tropical fruits and vegetables. But John Kitson, head of the food processing section at Agriculture Canada's Summerland, British Columbia, Research Station, says despite the tremendous variety of produce available, the Colombians have little in the way of processing facilities.

"Without processing capabilities, much of the annual production of tropical fruits and vegetables is lost to spoilage," Mr. Kitson says.

To overcome this problem, a pilot plant for processing fruits and vegetables was planned for the campus of the National University of Colombia in Bogota.

The pilot plant was one of three built; the other two handle processing of meat and dairy products. The project was funded by the United Nations Food and Agriculture Organization with assistance provided by the Canadian International Development Agency (CIDA).

Through the pilot project, Colombian food technologists are being trained and new processed products are being developed. The project is providing over-all research and development facilities for the Colombian food industry.

Mr. Kitson became involved in the project two years ago. He helped decide what equipment should be shipped to Colombia and helped install it in the plant. In

several trips to Bogota, he saw that the equipment was functioning properly and taught the Colombian staff how to use it.

In addition, a Colombian engineer was brought to Canada to visit pilot plants and processing firms in British Columbia and to become familiar with food processing research and development at the Summerland station.

Under the assistance of CIDA's training awards, three Colombians will obtain their masters degrees in food sciences fields at Canadian universities.

Fungus kills mosquitos

A fungus native to the irrigated areas of western Canada could prove a valuable new tool for mosquito control.

Scientists at Agriculture Canada's Lethbridge, Alberta Research Station working with the University of Washington in Seattle have achieved about 60 per cent control of one mosquito species' population with this "water mold".

The fungus destroys mosquito larvae by attaching to the insect's outer skin and feeding on the internal fat and muscle tissues. The larvae first swells to an abnormal size, becomes sluggish, and finally dies.

This mold lives in the stagnant waters that are the natural environment of mosquito larvae. It was first identified in 1956, but its complex life cycle and its potential as a mosquito pathogen were not discovered until 1971.

Although it attacks only one of the 18 mosquito varieties found in southern Alberta, that one is the species that can infect humans and horses with sleeping sickness. Several tropical species, including the one that carries yellow fever, are also vulnerable to attack by the fungus.

"We are trying to find out why this fungus attacks only one local species," said Joe Shemanchuk, head of the mosquito research team at Lethbridge. "Also, we are examining pathogens from other parts of the world to see if they might be effective against other mosquitos that cause us problems."

Scientists now plan to try establishing this fungus outside its natural range — that is outside the irrigated areas of southern Alberta. They hope it will provide a continual biological control of mosquito populations, keeping them below the levels at which pesticide application becomes necessary.

News of the arts

Music gets first British performance

The autumn season of concerts at Canada House in London began recently with a recital of music by Brahms, Ravel and Otto Joachim given by the Canadian violinist Taras Gabora.

Mr. Gabora was accompanied by Linn Hendry, a young Canadian pianist who is establishing a reputation for herself in London, both as coach and accompanist.

Taras Gabora, who was born in Winnipeg, is a graduate of the Vienna Academy of Music where he won the Austrian State Prize for music. He has played many concerts in Canada, both as soloist and chamber musician, and appears regularly on CBC Radio and TV. Gabora has toured Europe on numerous occasions, most recently appearing in the Soviet Union with his wife, Canadian soprano Gaelyne Gabora. Taras Gabora is, at present, Professor of Violin at the Conservatoire de Musique de Québec in Montreal.

A feature of Gabora's *début* concert at Canada House was the first performance in Britain of *Pour la Jeunesse* by the Canadian composer Otto Joachim. Joachim was born in Cologne, and first made his name as a violinist in Germany and India, later emigrating to Canada, where he became first violinist of the Montreal Symphony and a founder of the Montreal String Quartet.

ABC salutes Alberta

The Alberta Ballet Company recently opened its 1980-81 season with a celebration performance in honour of the province's seventy-fifth anniversary.

As a tribute to the year, the company commissioned the creation of a new ballet. Called *Home*, it is choreographed by Lambros Lambrou to a score specially composed by Tommy Banks. Set and costume design is by Douglas Klein.

The ballet is set in turn of the century Alberta with characters typical of the era, such as gold prospectors, barkeepers, poker players and saloon girls. Lambrou researched each character to ensure authenticity and similarly, Klein researched his costumes and set designs to be certain they would be historically genuine.

The work is patterned after the biblical story of the prodigal son; a rags-to-riches-to-rags story that occurred many times over during Alberta's gold rush era.

Multicultural broadcasting pioneer receives award

Johnny Lombardi, a pioneer of multicultural broadcasting in Canada, has been named broadcaster of the year for 1980 by the Central Canada Broadcasters' Association.

Mr. Lombardi is the owner of Toronto radio stations CHIN and CHIN-FM, broadcasting in more than 30 languages.

He was honoured recently at the opening of the association's annual convention. The award is given each year to the broadcaster in Ontario or Quebec who has made a significant contribution to the industry, community or country through broadcasting.

Baxter Ricard, president of Sudbury Broadcasting Limited and Mid-Canada Communications Limited, was named

winner of the Howard Caine Award. It goes each year to an association broadcaster who has made a significant contribution to the community through public service apart from broadcasting.

The association also instituted a new award in the engineering category. The first winner — named posthumously — is Les Horton, chief engineer at radio station CKOC Hamilton for 51 years. He died last month at 77.

The Friend of the Industry award went to Bryan Olney, president of the Broadcasting Education Association of Canada. He established a broadcasting course at Loyalist College at Belleville, Ontario in 1971, and is now co-ordinator of radio and television programs.

Canadian art exhibited in Latin America

More than 5,000 people recently attended two Canadian art exhibitions held at the National Museum of Fine Arts in Rio de Janeiro. The two exhibits, the *Hard-Edge Collection* and *Paul Duff's Paintings* were promoted by the Canadian Consulate in Rio de Janeiro.

Paul Duff is a Canadian artist who has lived in Brazil for many years and has specialized in painting the country's flora and fauna.

The *Hard-Edge Collection* is a perma-

nent print exhibition of the Department of External Affairs and was sent for circulation in Latin America starting this past summer. It was shown at the museum of Modern Art in São Paulo before moving on to Rio de Janeiro.

The collection is to travel to Brasilia and will continue on to Argentina for a presentation in Buenos Aires in 1982. The collection is then scheduled for circulation in Venezuela and Mexico before its return to Ottawa.



Pictured in front of one of the *Hard-Edge* exhibits are: (left to right) D. Therezinha Lima, cultural assistant; Edson Motta, director of the National Museum of Fine Arts; D. Zoé Chagas Freitas, wife of the state governor; and Michael G. Stinson, Consul and Trade Commissioner, Canadian Consulate General, Rio de Janeiro. Mrs. Chagas Freitas was the guest of honour at a cocktail party hosted by acting Canadian Consul General Stinson.

Budget (Cont'd from P. 2)

will increase by 22 per cent.

A special four-year allocation of \$350 million is being made to promote industrial restructuring and manpower retraining and mobility in areas of particular need.

Departments will have to meet rising demands for services with few increases in person-years apart from identified purposes such as the census.

Economic and fiscal outlook

Output of the economy is expected to decline by about 1 per cent in 1980 and grow by about the same amount in 1981 in the face of international economic difficulties, continued high inflation and higher interest rates. Real growth rates of

about 4 per cent are expected to start in late 1981.

A continued advance in the consumer price index of around 10 per cent is expected as higher food and energy prices are absorbed. The budget strategy will promote a gradual decline after 1981.

Under the impact of new energy taxes, budgetary revenues are expected to rise by 17.1 per cent in 1981-82 to \$52,935 million, and budgetary expenditures by 12.3 per cent to \$66,640 million.

The budgetary deficit is expected to decline from \$14.2 billion this fiscal year to \$13.7 billion in 1981-82 and then decline more rapidly in the following two years. Declines in cash requirements would be larger, to \$11 billion in 1981-82 and to \$8.4 billion and \$7.2 billion in the two subsequent years.

News briefs

Agriculture Minister Eugene Whelan has announced that this year's Agricultural Outlook Conference will be held in Ottawa, December 8 and 9. The conference brings together heads of the federal and provincial departments of agriculture and representatives from farm organizations, universities, consumer groups, agribusiness and other government departments to discuss agricultural prospects for the coming year. Speakers will discuss general economic trends, the world agricultural and food outlook, Canadian agricultural and food market prospects in 1981, expected farm costs and incomes, and other issues important to the agriculture and food sector.

Federal approval has been given to Canadian Marine Drilling Limited (Canmar), a subsidiary of Dome Petroleum Limited, for the construction of their first artificial island for exploratory drilling of oil and gas in the Beaufort Sea. The artificial island, the eighteenth one

constructed in the Beaufort Sea over an eight-year period will be constructed in 27 metres of water in the dynamic ice zone; it is expected to be ready next year. Its primary purpose will be to provide a secure platform for exploratory drilling. On completion of exploratory drilling at the site, the island will be dismantled.

The Natural Sciences and Engineering Research Council has announced that 100 research fellowships for tenure in Canadian universities have been awarded. The 100 award winners were selected from among a field of 350 applicants nominated by Canadian universities. The awards, valued at up to \$23,500 each year, plus an annual research grant of up to \$10,000, will enable fellows to devote most of their time to research for up to five years.

Canadian George Zeeman recently placed first in the International Carpentry Contest against 39 other entrants in Cleveland, Ohio. He represented British Columbia in the contest, staged annually by the United Brotherhood of Carpenters for apprentices from across the United States and Canada. Mr. Zeeman was one of five Canadian contestants and the first Canadian to win the championship.

Secretary of State Francis Fox recently announced that grants totalling \$77,560 have been awarded to the Canadian Federation of Civil Liberties and Human Rights Associations. The grants will help the organization in promoting and distributing information and material on human rights to voluntary organizations and to the general public.

An agreement that will lead to a \$300-million investment in the Berland-Fox Creek area, 250 kilometres northwest of Edmonton has been signed between the Alberta government and British Columbia Forest Products Limited of Vancouver. BCFP will build a pulp-paper plant and two sawmills as part of a project to harvest up to 37 million cubic feet of timber a year from 7,720 square kilometres of forest and create about 1,000 jobs.

The Export Development Corporation (EDC) has announced the conclusion of a \$7.4-million (U.S.) financing agreement in support of exports by Stelco Incorporated of Hamilton to the United States. The sale should generate 328 man-years of employment at Stelco's plants in Ontario. Stelco Inc. is Canada's leading steelmaker, producing 35 per cent of Canada's annual steel production. Sales in 1979 amounted to \$2.1 billion (Cdn.).

Health and Welfare Minister Monique Bégin has announced that projects involving 176 senior citizens groups across Canada will receive federal contributions totalling \$1,033,447. A total of 22,669 participants are directly involved. The funds are made available through the department's New Horizons program.



Getting away from it all in the city is not always possible, but in Calgary the residents are enjoying the Devonian Gardens, a hothouse atop Calgary's Toronto Dominion Square complex. The gardens feature more than a kilometre of pathways and special ramps for the handicapped, and a 5,000 square-foot pool that doubles as a skating rink in the winter.

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