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A review of the Government's anti-inflation program

Finance Minister Donald Macdonald reported on the operation of the anti-inflation program on September 7 and announced changes in the proposed price and profit guidelines. Following are passages from Mr. Macdonald's statement:

Since the introduction of the anti-inflation program last fall, progress has been made in reducing the rate of inflation. In December of last year, the percentage increase in the consumer price index (CPI) from the previous year dropped below double digits for the first time in 21 months. Since then, the rate of price increase has shown a progressively moderating trend so that, by July, consumer prices were only 6.8 percent higher than one year earlier. This compares favourably with the year-over-year rate of 11.1 per cent in August 1975.

A major factor in this welcome deceleration in inflation has been the behaviour of food prices, which actually dropped on average in every month from December to April. The anti-inflation program has ensured that reduced costs to the processing and distribution sectors have been passed on to the consumer.

The prices of many foodstuffs, whether produced by Canadian farmers or imported, do of course fluctuate. It has to be expected that some of the food prices which have actually fallen this year will go back up again. For this reason, the slowdown in the cost of living which has occurred may overstate the underlying trend of improvement.

It is reassuring, however, that there has been a clear slowing down in the prices of non-food items. These items, which account for more than 70 per cent of the cost of living, showed a year-over-year increase of 9.2 per cent in July, compared with 10.2 per cent when constraints were introduced. The annual rate of change over the three months ending in July was 6.1 per cent.

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It will be recalled that the arithmetic guidelines for compensation in this first year of the program include a basic protection factor of 8 per cent, a

national productivity gain of 2 per cent and an experience adjustment factor ranging from -2 to +2 per cent depending on the earning experience of each group before the introduction of the program. By early August, the compensation plans for more than two million workers covered by the mandatory guidelines that had come up for renewal had been filed with the Anti-Inflation Board. For a little under half of the workers covered by these compensation plans, the initial proposals were below the guidelines applicable to their groups, while the remainder were above the guidelines. For these two million people together, the average proposals in these plans called for compensation increases of 12.2 per cent, about 2.3 percent above the average guideline.

As of the middle of August, compensation plans covering more than 550,000 workers that proposed increases in excess of the guidelines had been considered by the Anti-Inflation Board. These proposals for relatively large increases — they averaged 14.5 per cent — reflected circumstances in which the parties believed that well-established historical relationships or other particular considerations justified increases in excess of the arithmetic guidelines. In many cases, the Board did not agree. But in a considerable number of cases the Board agreed that an increase in compensation somewhat above the arithmetic guidelines was justified. However, the Board held the increases in these compensation plans to an average of 12.11 per cent, about 2.3 percent above the average arithmetic guidelines for these groups....

The AIB data cover both unionized and non-unionized employees. Data relating only to unionized workers are provided by the Department of Labour in the quarterly reports on new contract settlements in collective agreements covering more than 500 workers.

EXTERNAL AFFAIRS
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These report on initial negotiated settlements of base rates. The rates do not include the effects of COLA (cost-of-living allowance) clauses. Moreover, many of them are still subject to AIB decisions. The data show that the rates of increase proposed in the first year of new collective agreements have come down to 13.4 per cent in the settlements in the second quarter of 1976, compared with 21.8 per cent in the first nine months of 1975. The average increase in negotiated base rates in these data, for all contracts currently in force, was 12 per cent in the second quarter of 1976, compared with 13.8 per cent during the first nine months of 1975.

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Profits

In the first half of 1976, profits before taxes were actually lower than in the second half of 1975 and only 5.5 per cent above the level of the first half of 1975. This increase compares with an increase of 16.4 per cent for labour income. The share of profits in the GNP has therefore fallen. Many firms have been reporting revenues below the levels allowable under the program, either because of market conditions or because of the wish of firms to ensure that their pricing decisions were in conformity with the regulations.

* * * *

Rents

All the provinces now have implemented rent-control systems and rent review or appeal panels. Guidelines for maximum yearly increases, ranging from 8 to 10.6 per cent, exist in eight provinces. Two provinces have guidelines with no specified maximum rent increases. All but one of the provinces exempt new housing from control for some initial period. Since the implementation of the provincial rent-control measures, the average rate of rent increases has slowed. The rent component of the CPI increased at an annual rate of 8.4 per cent in the six months prior to the initiation of the anti-inflation program. In the latest six-month period the rate of increase declined to 5.2 per cent.

It appears certain that the increase in the CPI in the year ending October 1976, will be less than the target of 8 per cent....

The current goal for the second year

of the program is to reduce inflation to 6 per cent....

* * * *

Government spending

The key to our fiscal strategy is restraint on government spending. The Government's targets have been set out clearly and specifically. In launching the anti-inflation program, the Government's white paper stated that the trend of expenditure growth should be no higher than the trend of the gross national product. The budget of May 25 stated: "Based upon planned total outlays of \$42,150 million, our target rate of increase for this fiscal year works out at about 14 per cent. Our forward planning for 1977-78 is based on a growth rate of the order of 11 per cent. For both 1976-77 and 1977-78, these increases are less than the expected growth of GNP."

The targets, which leave little room for real growth in the spending of the Government, still stand. They will be achieved only with the greatest persistence and perseverance. Only the most essential of the many proposals for desirable new programs can be considered....

In my May budget speech, I indicated that real growth in the national economy in 1976 would be about 5 per cent. This continues to be my expectation.

* * * *

Price and profit guides

We have examined various modifications of the pricing and productivity rules. It has proved extremely difficult to structure them in such a way to ensure that the benefits accrue only to those firms which have in fact improved their productivity or held their costs down by the pursuit of economies. Those firms which are not in a position to benefit would feel that they have been treated inequitably. The attempt to tailor such provisions more specifically to a particular target group threatens to build more complexity into an already complicated program.

I have, therefore, decided to approach this whole set of problems connected with incentives in a different way. The proposed pricing and productivity rules for firms under Part 1 of the guidelines will not be introduced. In their place, I propose an investment credit for such firms. Eligible investments will be defined for this purpose in the same

way as for the present investment credit in the tax system, with some additional categories. Firms engaging in such investment in Canada will be able to deduct 50 per cent of the value of such investment from excess revenue up to a maximum amount of 10 per cent of allowable profits. This credit will be available against non-distribution profits, as was the case in the pricing and productivity rules which it replaces. It will provide such firms with a general incentive to increase productivity in the competitive circumstances we anticipate over the life of the program and with the opportunity of earning additional funds to finance their investment, while maintaining the necessary degree of restraint on prices.

* * * *

The main features of the new price and profit regulations may be summarized as follows....

(1) All firms will be subject to a net margin test.

(2) All firms will be able to choose as a base period either the five fiscal years prior to October 14, 1975 or the most recent fiscal year ended prior to May 1, 1976.

(3) Firms in the non-distribution sector will be required to limit their net pre-tax profits as a percentage of sales to 85 per cent of the base period margin. Firms in the distribution sector will be required to meet a similar net margin test of 95 per cent.

(4) While no test will apply at the level of the product line, firms will be expected to price individual products in a manner which bears a reasonable relationship to the costs of producing them. The Board will continue to obtain the information it needs and will have the power to request reductions in price increases on individual products where they are clearly disproportionate to the increases in related costs.

(5) All firms will be permitted to earn a minimum rate of return of 8 per cent on their equity, regardless of their base period experience.

(6) A new investment credit will be provided. This will enable firms in the non-distribution sector to deduct from excess revenue one-half of their expenditures on a wide range of new investments in Canada, up to a maximum of 10 per cent of allowable earnings.

* * * *

Reconstruction in Guatemala

Canada will spend nearly \$13 million in grants and loans in the next four years helping Guatemala rebuild homes, schools and water systems which were devastated by an earthquake, the External Affairs Department announced recently.

The funds are in addition to \$4.2 million provided by the Canadian International Development Agency in cash, food, blankets, orthopedic equipment and construction materials since the earthquake struck last February.

Private Canadian relief organizations raised \$4 million in public subscription campaigns to assist the Central American country.

The special program includes \$7.7 million in grants for construction materials for schools, health centres and homes over two years. A \$3.5-million 50-year loan free of interest will finance the rebuilding of rural water systems destroyed or damaged by the 'quake, and \$1.8 million in grants will help the Government of Guatemala draw up a national plan for rural water systems.

This further assistance is in line with Canada's strategy for international development co-operation 1975-1980, which calls for more help for the rural poor, as well as with the aim, stated at the Habitat conference in Vancouver, of assisting developing countries to provide clean water and homes for their people.

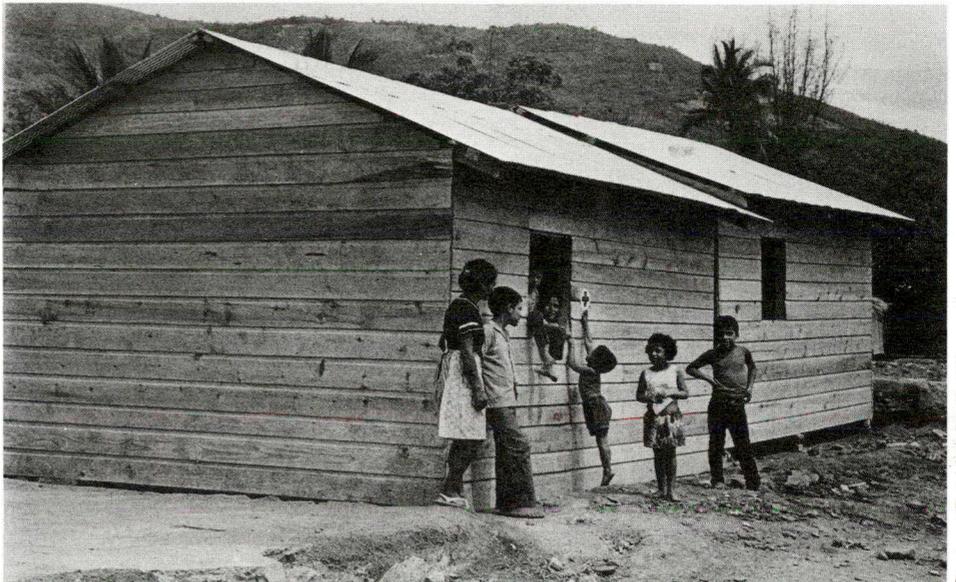
Extent of damage

Some 23,000 died and 80,000 were injured in the earthquake which left 28 per cent of the population without shelter. The lives of another 2.5 million were affected either directly or indirectly. While social costs of the disaster cannot be estimated, material losses were placed at \$748 million, 63 per cent of this in the housing sector. The Inter-American Development Bank has estimated that it will cost \$1,100 million to rebuild the social and economic infrastructure of the country.

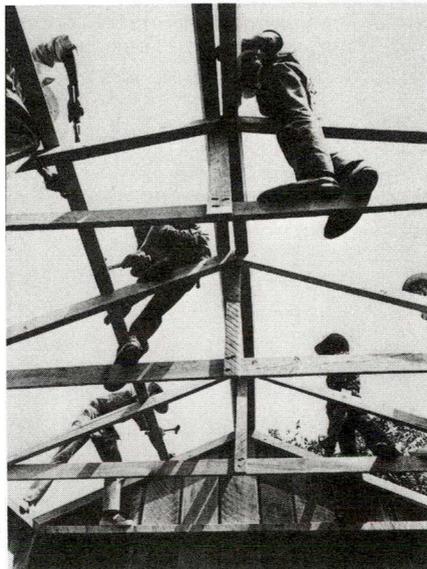
Forty per cent of the \$3.5-million loan for rural water systems equipment and material will be untied while the \$7-million grant will be for Canadian construction materials, which will be

Canadian Red Cross funds will be used over the coming months to complete 10,000 homes for victims of the devastating earthquake in Guatemala in the towns of El Progreso, El Rosario, Jalapa, Salama, Chimaltenago, Guatemala City and Sante Maria Chiqimula. The photos show houses of Canadian construction materials built by volunteers, which are transported to sites and assembled in less than 90 minutes. Armando Amado Chacon, President of

the Guatemalan Red Cross said: "My country has been very good to me. But material things are not enough, a man also has the need to share with his fellow men what he has. I believe in the Red Cross principles and the work Red Cross does all over the world and so I have been a volunteer here for 21 years. I would also like to say a special thank you to the Canadian Red Cross and the Canadian people for their concern and support."



Photos: Crombie McNeill



channelled through co-operatives and community organizations working with the Guatemalan Government in the rebuilding of homes and schools affected by the 'quake.

Under the \$1.8-million grant, a Canadian team will assist the Guatemalan

Government to establish a national plan for rural water works and 250 Guatemalans will be trained to operate and maintain the system.

Before the earthquake, there were 539 systems serving 8 per cent of the rural population. Canada's assistance will help rehabilitate 250 systems destroyed or damaged by the 'quake.

Cancer of the liver – a new method of detection

An immunological method for early detection of cancer of the liver among workers in contact with polyvinyl chloride* (PVC) has been developed by Dr. M. Pagé and his group at the Hôtel-Dieu de Québec hospital in Québec City. Dr. Pagé's work has aroused a great deal of interest in the scienti-

* PVC is a petroleum product that has been used in industry for more than 40 years. In 1937, scientists in the Soviet Union discovered that PVC had caused burns and bone deformation.

fic world, and specialists from various countries will discuss this method at the international French-speaking congress on immunology to be held in Quebec City from October 11 to 15.

Dr. Michel Pagé, who will present his theory, is working in cancer detection. His research has led to the development of a new method for detecting diseases of the liver, including cancer, among workers exposed to PVC by measuring the amount of carcinoembryonic antigen, a substance produced by a cancerous growth, in the patient's bloodstream.

Angiosarcoma of the liver, the form of cancer that appears to be caused by PVC, is fairly rare. This form of cancer usually goes undetected unless an autopsy is performed. Dr. Pagé began work to prove his theory using the means at hand and without the benefit of research grants. Since that time, government authorities have become aware of his project and the study is continuing. If there is any doubt whatsoever, the analyses are repeated, so that the growth of this cancer can be diagnosed at an early stage.

Ten cases of this type of cancer have been diagnosed among workers from the Shawinigan region in Quebec. Blood samples for 200 of them who have been in contact with PVC have been supplied by Dr. Fernand Delorme, a pathologist at the St. Maurice regional hospital centre.

The results show that the workers assigned to resin production are the subjects who, in this study, have had the longest exposure to PVC.

Dr. Pagé's novel experiment in the field of immunology is a significant breakthrough for Quebec research, similar to the work of Dr. Armand Frappier of Montreal and his group, who were the first in the world to advance the theory that Quebec children vaccinated with BCG were immunized against a certain form of cancer called leukemia.

The BCG vaccine is designed to combat tuberculosis, a disease that wrought havoc in Quebec only a few decades ago.

(Excerpt from an article by Maréchal Francoeur, scientific editor for the Quebec City newspaper Le Soleil).

Canada and Israel establish joint economic committee

A memorandum of understanding establishing the Canada/Israel Joint Committee for the Development of Trade and Economic Co-operation was signed on September 27 by Donald Jamieson, Secretary of State for External Affairs and Yigal Allon, Deputy Prime Minister and Minister for Foreign Affairs for the Government of Israel.

Mr. Allon, who was in Canada for four days, after attending meetings of

the United Nations General Assembly in New York, later held discussions with Mr. Jamieson and Prime Minister Trudeau on bilateral issues and international affairs.

The new committee which will be made up of senior officials, may be headed by Ministers. It will meet, usually once a year, alternating between Canada and Israel.

The possibilities of trade expansion and economic and industrial co-operation between the two countries will be studied by the committee, which will also work to promote the exchange of technology, including industrial research and development. Both Canada and Israel have specialized in the development of certain high technology industries, and mutually profitable exchanges of information are expected.

The committee's mandate includes the encouragement of investment, and various proposals including the possibility of setting up joint or mixed ventures or companies will be explored.

Mr. Jamieson and Mr. Allon expressed satisfaction that agreement had been reached and stated their belief that important mutual benefits would arise from the activities of the committee. They also discussed the pursuit of more liberal trade policies and reaffirmed their unequivocal opposition to economic boycott and discrimination based on race, national origin or religion.

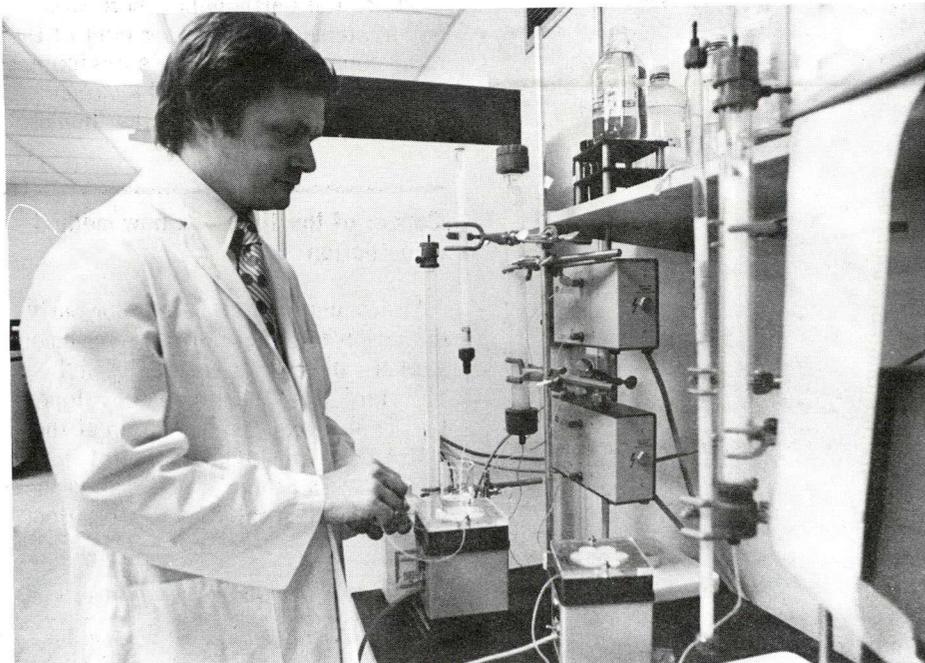
Canada/Venezuela to study co-operation in tar sands development

Canada and Venezuela are to begin consultations on the feasibility of an exchange program on tar sands exploitation, Energy Minister Alastair Gillespie said recently.

The consultations arise from the visit to Canada in June of Venezuela's Minister of Mines and Hydrocarbons, Valentin Hernandez-Acosta.

Representatives from Canada's national energy corporation, Petro-Canada, will be visiting Venezuela very shortly to pursue the negotiations.

Chairman Maurice F. Strong and President Wilbert H. Hopper will be guests of Petroleos de Venezuela and will visit Orinoco tar sands region for discussions with Venezuelan petroleum officials.



Le Soleil

Dr. Michel Pagé's work is of great interest to science and humanity.

UN delegation

Secretary of State for External Affairs Donald C. Jamieson is chairman of the Canadian delegation to the thirty-first regular session of the United Nations General Assembly, which convened at UN headquarters in New York, September 21. Other members are: William Barton, Ambassador and Permanent Representative of Canada to the UN, New York; R.D. Stanbury, Member of Parliament; Charles Lapointe, Member of Parliament; Harry Jay, Ambassador and Permanent Representative of Canada to the Office of the UN, Geneva; Sylva Gelber, Special Adviser to the Deputy Minister of Labour; Geoffrey Bruce, Deputy Permanent Representative and Minister, Permanent Mission of Canada to the UN, New York; Jacques Gignac, Ambassador of Canada to Tunisia; Maurice D. Copithorne, Director General, Bureau of Legal Affairs, Department of External Affairs.

The Parliamentary Secretary to Secretary of State for External Affairs, who had not yet been named, will complete the delegation.

Canadian Forces rescue teams keep busy

Two youngsters are plucked from a raft drifting in the open sea; a sick baby and mother are airlifted to hospital in the nick of time; and a panic-stricken hunter is found after a week-long search.

These aren't ideas for a television series, but a small part of a typical week's work for the Canadian Armed Forces at home and abroad.

During the busy summer months, Canada's sailors, soldiers and airmen are called on more than ever to rescue or search for lost or strayed travellers.

Niagara Falls rescue

On August 24, for example, a Canadian Forces helicopter rescued 26-year-old Tibor Hitenyi of New Jersey, United States, who was attempting to ride over the Horseshoe Falls, Niagara, in a metal barrel that became wedged in the rocks. Its occupant, who was later charged under U.S. parks regulations, had almost run out of oxygen when the helicopter succeeded in up-

righting the 5½-foot by 38-inch capsule.

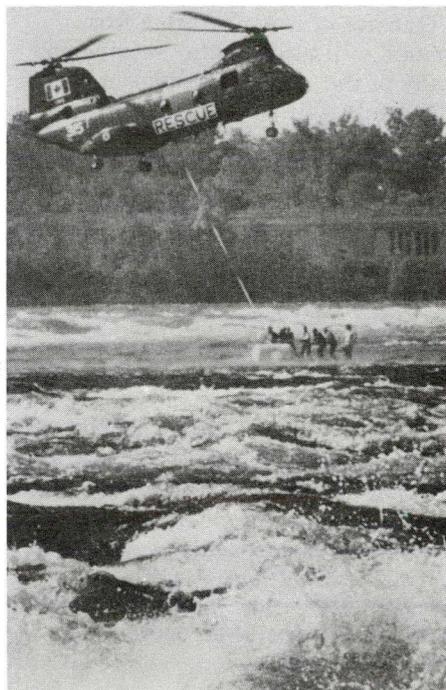
Particularly busy are the four Transport and Rescue (T&R) Squadrons, located in key search-and-rescue areas and the North, which fly thousands of miles a year in search of missing boats, planes and people.

Their most aggravating moments are caused by pilots who fail to check after landing safely that their aircraft Emergency Locator Transmitters (ELTs) have not accidentally switched on. ELTs activate automatically in a crash and emit radio signals to aid searching aircraft.

Each year the forces spend hundreds of thousands of dollars tracking down homing signals of accidentally activated ELTs, which can be turned on by a slight knock or bumpy landing. Sometimes they just activate themselves.

Various emergencies

Life is never dull for the T&R squadrons. In fact, during one week this summer the forces were involved



Canadian Forces helicopter from Trenton, Ontario, turns 1,300-pound propane tank right side up to rescue its occupant, Tibor Hitenyi of the U.S., who had hoped to ride over the Horseshoe Falls. The barrel, which grounded on rocks, some 400 yards above the Falls, had been launched from the United States side of the Niagara River.

in 150 search and rescue "incidents", and used their resources 36 times.

The Pacific region's 442 Squadron flew a number of medical evacuations from the mountainous interior of British Columbia to Vancouver, including a day-old baby with respiratory problems, a young woman with pregnancy complications, and a seven-year old boy injured in an automobile crash.

Two 442 aircraft also teamed up with HMC ships *Porte de-la-Reine* and *Porte Quebec* to save the crew of a sinking fishing boat in the stormy waters off Vancouver Island's northern tip.

Up North, a *Twin-Otter* from 440's northern detachment located the wreckage of a helicopter that was overdue on a survey flight out of Yellowknife. All three crewmen were dead.

In Quebec 75 soldiers from CFB Petawawa's 2 Combat Group scoured dense bush for a week in search of a missing hunter. He was found.

In central Canada, aircraft of 424 and 400 squadrons teamed up to search for a light aircraft, overdue on a flight from Toronto to northern Ontario. Plane and pilot were found safe and sound at their destination; he'd forgotten to close his flight plan.

On the east coast, aircraft of 413 Squadron combed the bleak interior plains of Labrador for an overdue light plane, which turned up later at its remote destination. They also saved two boys drifting on a small raft off Prince Edward Island.

Facts about food

Canadian families enjoy eating out as much as their American counterparts. They spend an average of just over one-fifth of their weekly food budget to do just that, according to the *Handbook of Food Expenditures, Prices and Consumption*, recently published by Agriculture Canada's Economics Branch.

In 1975, about 78.5 per cent of total food expenditures in Canada was for food consumed at home. Canadians spent the remaining 21.5 per cent for meals away from home. Americans spent just slightly less (76.5 per cent) for food eaten at home and somewhat more for food away from home (23.5 per cent).

Canadians spent less of their disposable incomes for food in 1975 than they did 15 years ago. Total food expenditures accounted for 21.6 per cent of disposable income in 1961, but only 18.2 per cent in 1975. By comparison, Americans spent 20 per cent and 17.1 per cent of their disposable incomes for food in 1961 and 1975 respectively.

What we eat

Canadian consumers really enjoy fresh fruit. In 1975, they ate nearly 43 per cent more fresh fruit than Americans did – 113.4 pounds compared to 78.9 pounds in the U.S.

Coffee is more popular too, with the Canadian consumption average at 9.4 pounds each year, compared to 9.2 pounds in the U.S.

Meat and poultry

Fondness for beef was evident in 1975. Canadians consumed slightly more than 102 pounds *per person*, compared to about 70 pounds in 1960. Beef consumption in the U.S. last year was 120 pounds a person.

Canadians consumed about the same amount of lamb and mutton – 2.9 pounds a person – as they did 15 years ago. Pork consumption was lower. The *per capita* consumption rate in 1973 was 58 pounds, while it was 48 pounds in 1975.

Canadians ate about the same amount of poultry (29 pounds) and cheese (about 18 pounds) in 1975 as they did a year earlier. Fish consumption has declined slightly to about 12 pounds a person. And we ate fewer eggs – just under 19 dozen a person – about a dozen less than in 1974.

Canadians still like catsup and, *per capita*, consume more than 12.5 pounds (fresh equivalent) of the product, not to mention over 52 pounds of canned tomatoes, juice, pulp, paste and purée.

Mushroom consumption is also on the rise – nearly five pounds a year – compared with slightly under four pounds in 1973 for each person.

Food prices in 1974

Canadian families spent an average of \$40.80 a week on food in 1974 – \$30.57 at home and \$10.23 in restaurants. Breaking down the purchases that filled shopping carts, the average family spent \$10.14 for meat and poultry,

\$4.76 for fruits and vegetables and \$4.25 for dairy products; cereals and bakery products cost \$3.42, miscellaneous groceries \$2.54 and beverages \$1.70. Eggs, fish, fats and oils, frozen foods and prepared dishes accounted for the remaining \$3.76. Figures on family food expenditures are not yet available for 1975.

Nuclear-valve plant shifted from Britain to Canada

Production in Ontario of a special valve designed by a British company for use in nuclear-power generation is to start in January.

Newman Hattersley Ltd, of Mississauga – a subsidiary of the Pegler Hattersley Group, Doncaster, Yorkshire, England – is to set up manufacturing facilities at its premises for final assembly of valves sold in Canada, the United States and other Western Hemisphere countries. The new facility will be known as the Nuclear Division.

Transfer of manufacturing from Britain will allow better service and many of the valve's component parts ultimately will be obtained from Canadian sources, says the company. Extra workers will be taken on as production gets under way. Initial annual sales of the new division are expected to be from \$2-3 million.

Technically described as the "bellows seal globe valve", the product, which meets stringent requirements of the nuclear power industry, is installed in many plants throughout the world.

The valve is installed with piping systems in the CANDU reactor. The bellows design ensures that heavy water, gas and saturated steam do not leak to the atmosphere.

Federal/provincial co-operation in uranium search

The Federal Government has entered into shared-cost agreements with four provinces to speed up exploration for uranium. The agreements, under the Federal-Provincial Uranium Reconnaissance Program, are valued at \$3,584,000, half of which will be provided by the federal Department of Energy, Mines and Resources. They

cover surveys in New Brunswick, Ontario, Saskatchewan and British Columbia.

A search for uranium last summer under the program has revealed several areas of higher-than-average amounts of uranium in Manitoba, which has led to greatly increased exploration in the area. Other surveillance projects valued at \$2.47 million are under way in the Northwest Territories and the Yukon.

Following are the new agreements:

New Brunswick (\$180,000). Provides for an airborne survey to be undertaken this summer to map the distribution of uranium over 16,000 square miles of the province.

Ontario (\$1,740,000). Provides for airborne geophysical and ground geochemical surveys over 140,000 square miles of eastern and northwestern parts of the province over five years. It follows a smaller shared-cost project carried out last year.

Saskatchewan (\$1,064,000). Calls for airborne, ground and subsurface geophysical and geochemical surveys over 100,000 square miles of the province. The program will run for five years.

British Columbia (\$600,000). Provides for ground geochemical surveys to show the distribution of uranium in stream sediments over 50,000 square miles.

Fortress of Louisbourg part of U.S. Bicentennial project

Tourists from the United States who cannot include Canada's Fortress of Louisbourg in their Bicentennial pilgrimage will find it and other historic structures in their own state of Wisconsin – in small scale.

Models of well-known historic buildings were constructed by students at the Milwaukee School of Engineering as a Bicentennial year project and displayed in the University of Wisconsin/Milwaukee Library until September 30 and will be shown throughout the state. In addition to the Fortress, their handiwork includes Independence Hall, Philadelphia, the Cabildo, a state-house in New Orleans, and Monticello, the Charlottesville, Pennsylvania mansion of Thomas Jefferson, one of the founding fathers of the United States.

Michael E. Chrusciel and David G. Patterson, who created from photo-

graphs the three- by six-foot model of the Fortress of Louisbourg, used balsa wood, Crescent board, dowels and "imagination". It has 150 hand-carved windows and 500 miniature logs, "painstakingly whittled", for its stockade.

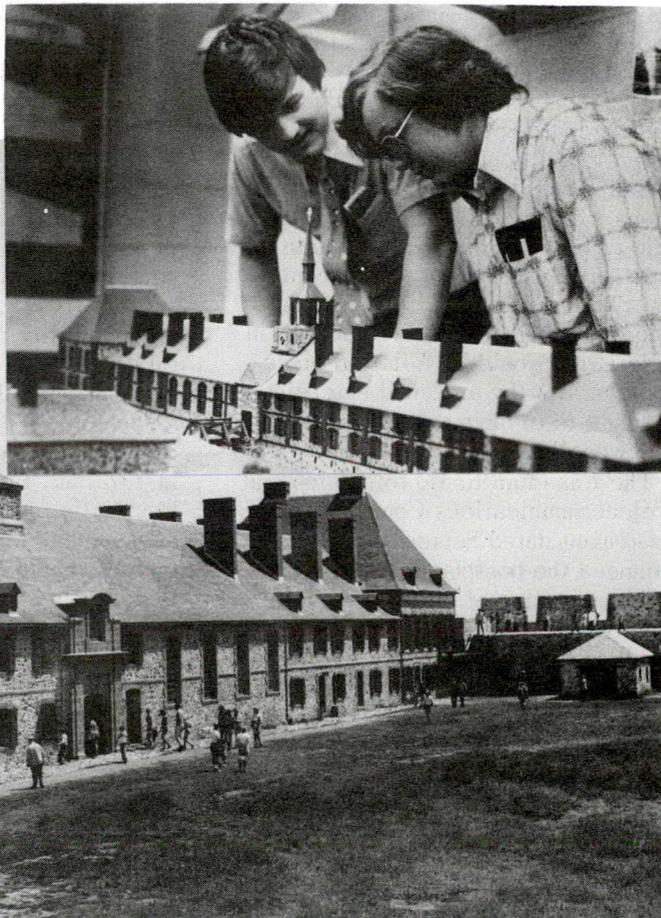
James Robillard, a University of Wisconsin/Milwaukee graduate student, invited students to build the models, which cost from \$60 to \$100 each, for people who could not visit the historic sites. "If you can't go there, we'll entertain you here," he said.

Louisbourg beginnings

The Fortress of Louisbourg, 23 miles south of Sydney on Cape Breton, Nova Scotia, was once a French stronghold in the New World. It was captured by the British in 1758 and later destroyed. John Fortier, Superintendent of the Fortress, describes in the autumn issue of *Conservation Canada* some of the problems encountered and some of the benefits derived from the reconstruction:

"Louisbourg was designated a National Historic Site in 1928, and a Na-

U.S. students Michael Chrusciel (left) and David Patterson admire their model of the Fortress of Louisbourg. Below is the real Fortress, 23 miles south of Sydney in the province of Nova Scotia.



tional Historic Park in 1940. During the 1930s some of its ruined buildings were outlined on the site, and a museum was built. There it all remained - a ruined fortress twice besieged and captured, a deserted town once the capital of a colony and home to over 5,000 fishermen, soldiers, merchants, artisans, shopkeepers, bureaucrats and their families; an archaeological town-site whose significance and potential for interpretation were unsurpassed in North America.

Reason for reconstruction

"The initial reason for the reconstruction at Louisbourg was economic - the lessening demand for Cape Breton coal and threatening unemployment. A Royal Commission headed by E.C. Rand investigated the matter and made some far-reaching recommendations, one of which was the development of tourism.

* * * *

"Tourism meant among other things doing something with the Fortress of Louisbourg. In 1960 the Federal Government authorized the beginning of a

\$25-program to reconstruct one-fifth of the fortress and town and re-create an historical cross-section of military, maritime, commercial, administrative and domestic pursuits as they originally existed in Louisbourg.

* * * *

"As an immediate and practical solution to an economic problem, approximately 225 men, mostly former coal miners were put to work on a project which had genuine cultural benefits. Many learned new trades and re-entered the labour market. Now a broader segment of the local population is employed and the number of specialties has increased as reconstruction has been followed by exhibits, animation, maintenance and administration.

"As a mainstay of the tourist business, in which historic and cultural attractions account for nearly 30 per cent of revenues, Louisbourg will repay its cost many times over. And it will do so in an area which still has few alternatives to heavy industry.

Conservation

"Those benefits are only the beginning. What about conservation?

"Louisbourg brings to the National Parks System a variety of natural and historic features which deserve presentation. Its 23 square miles include Atlantic coastline, salt marshes, and nesting places for numerous aquatic birds. Black Rock, a siege position which shows the remains of French attempts to demolish it, is also the most visible element of a geological sequence which extends back 500 million years, to the area's volcanic origin.

* * * *

"As reconstruction nears its conclusion at Louisbourg there is growing acknowledgement of the park role. The natural setting reduces modern intrusions and allows the maintenance of an historic environment. Visitors in the 1980s will enjoy many of the more usual park experiences as the interpretation grows to include natural as well as historic resources.

* * * *

Changed significance

"Since reconstruction began, our view of Louisbourg's significance has changed considerably. It is no longer important mainly as a place where

sieges were laid, or as a military installation whose defeat contributed to the conquest of Canada.

"Louisbourg is interesting as a more European, and possibly more sophisticated, colony than Quebec; as a maritime and commercial centre whose fisheries far outweighed the fur trade in value; and as a culture increasingly distinct from that of the French hinterland.

"The staff at Louisbourg are re-learning and demonstrating the trades, skills, attitudes, social customs and values of an earlier and quite different culture. Those who visit Louisbourg seldom go away without an appreciation of the intangible elements in their heritage.

* * * *

"The use of costumed animators is important; not because it is a "crowd pleaser" and an inducement to visit the site. Animation at Louisbourg aims not at demonstrating familiar frontier crafts, or firing guns, but at portraying the everyday life of a community.

* * * *

"Louisbourg continues to be Parks Canada's most ambitious attempt to develop its historic resources...."

News briefs

- The Commissioner (Minister) for Foreign Affairs of Ghana, Colonel R.J.A. Felli, visited Canada from September 19 to 22, during which he held talks with Don Jamieson, Secretary of State for External Affairs and James A. Richardson, Minister of Defence, on questions of mutual concern as well as Canada's economic development program in Ghana.
- The federal Advisory Council on the Status of Women has urged Canadian women to withdraw their money from

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

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

Manitoba borrows Swiss francs

Premier Ed Schreyer of Manitoba said a loan amounting to 150 million Swiss francs (about \$58 million Canadian) had been negotiated at what he termed the "exceptionally good rate" of 6 1/8 per cent.

The loan, a private placement through the Union Bank of Switzerland is dated September 20. The seven-year notes

will be sold to investors at par, to yield them 6 1/8 per cent. The notes are callable at the option of the province any time after four years.

The proceeds of the loan will be used for general capital purposes of the Manitoba government. The Legislature voted \$69 million for general purposes in the capital supply bill this year, of which \$58 million is being met through the low-interest loan just negotiated.

banks which do not have women on their boards of directors. The council criticized the chief executives of the Royal Bank of Canada and the Bank of Nova Scotia, who said recently they could not find qualified women to fill directors' positions.

■ A delegation from the Socialist Republic of Vietnam, led by Mr. Hoang Luong, Vice-Minister of Foreign Affairs, visited Canada from September 27 to October 2. During his stay in Ottawa, the Vice-Minister called on the Secretary of State for External Affairs and held discussions with Canadian officials on matters of mutual interest. The delegation also visited Toronto and Montreal.

■ The Department of Communications announced on September 23 that an international group, including the Canadian Government, would begin negotiations with the U.S. firm General Electric to build an experimental satellite system to improve air-traffic control over the Atlantic Ocean. The first of the two satellites, to be launched in late 1979, would be followed eight months later by a second satellite. Canada is to have a 6 per cent interest in ownership of the system.

■ The Canadian Radio-television and Telecommunications Commission, in a statement dated September 23, announced the postponement of further implementation of the controversial policy that sought to prohibit Canadian cable operators from carrying FM radio signals from the United States. All cable operators who had been ordered to delete U.S. FM signals can apply to start carrying the stations again.

■ Claude Wagner, chief Conservative spokesman for Quebec, has resigned as head of the party's committee of chairmen. Opposition Leader Joe Clark said the resignation reflected no major

disagreements between him and Mr. Wagner, who accompanied Mr. Clark on a 17-day tour beginning September 4 to Germany, Belgium, Italy, France, Switzerland and Britain.

■ Jean-Pierre Goyer, Minister of Supply and Services, represented Canada at the opening of a 427-kilometre road in Niger during a visit from September 22-24. The road, costing \$32.5 million and assisted by a Canadian Government loan, is essential to Niger's economic development.

■ Inco Limited increased its various primary nickel product prices by an average of 9.6 per cent on October 1. The new price for electrolytic nickel and refined nickel pellets is \$2.41 (U.S.) a pound. The price for nickel oxide sinter 75 is \$2.27 (U.S.) a pound nickel content. Corresponding changes are being made in all markets.

■ Robin Phillips, Artistic Director of the Stratford Festival, has signed a new five-year contract effective November 1, 1976. Mr. Phillips, who assumed responsibility for the Festival's artistic direction in 1974, following the resignation of Jean Gascon, has been responsible for the formation of a Young Company which toured Canada in 1975. Mr. Phillips' plans for the Festival's twenty-fifth anniversary season next year include a return of the celebrated Maggie Smith and Brian Bedford. In addition, he has effected the return to the Festival of Canada's internationally-acclaimed Kate Reid. His policy, whenever possible, includes the return of leading Canadian actors, who have been pursuing careers elsewhere.