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FOOD FOR THE HUNGRY PEOPLES OF THE WORLD

In a statement to the Second (Economic and Financial) Committee of the United Nations on October 24 on a draft resolution (A./C.2/L.459), sponsored by Canada, Haiti, Liberia, Pakistan, the United States of America and Venezuela, concerning the movement of food surpluses to needy peoples through the agency of the United Nations, the Canadian representative, Mr. H.E.W.A. Irwin, said, in part:

"...Canada has repeatedly urged that international action be taken to provide food, which is in surplus in some parts of the world, to needy and hungry peoples in other lands. It is one of the great anomalies of our time that there are widespread areas in desperate need of food while at the same time there are other areas where foodstuffs are in abundant surplus. Surely the international community has developed a sufficient sense of responsibility and adequate experience with the techniques of international co-operation to find some way by now out of this dilemma. The co-sponsors have joined to submit draft resolution A/C.2/L.459 in an effort to have the Assembly consider this tragic human problem as a matter of great urgency. In his speech to the General Assembly on September 26, Prime Minister Diefenbaker re-emphasized Canada's determination to seek international action on this question, stating: 'I believe that much must be done on behalf of food-deficit countries, first to help them in their hour of need and then to help them raise their own levels of production. This to me is the

responsibility of the United Nations as a whole to meet this challenge.' He went on to say: 'We envisage a food bank to provide food to member states through the United Nations. Such a scheme would require the establishment of concerted machinery that would take into account established patterns of trade and marketing and co-ordinate the individual surplus disposal to improve the effective utilization of wheat.'

SLOW PROGRESS

"It must be admitted that progress in this matter has thus far been slow and, to us in Canada, and no doubt even more so to the food-deficit countries, disappointing. On a number of occasions in recent years, the Prime Minister of Canada has urged that specific programmes be established to make available surplus foodstuffs for consumption in those parts of the world where food shortages occur. As far back as December 1957, Prime Minister Diefenbaker, speaking in Paris, referring to the needs of hungry peoples, stated that: 'The conscience of the free world will not accept a situation where half mankind is well fed and the other half is starved'. He advocated the establishment by some of the more fortunate countries of something in the nature of a food bank whereby food would be made available for distribution among those countries that were struggling for economic advance but were held back by low or inadequate nutritional levels among their populations.

(Over)

"At the opening session of the Food-for-Peace Conference held in Washington in May 1959, the Canadian Minister of Trade and Commerce expressed Canada's hearty support for the humanitarian objectives of the President of the United States in his proposals to Congress for the more effective use of surplus food supplies in the interests of peace, and he recalled Prime Minister Diefenbaker's many previous suggestions for international action to alleviate distress and to promote economic development in the less fortunate countries of the world. At the last session of the FAO Assembly in October 1959, the Canadian views on this subject were once more put forward. The Canadian Minister of Agriculture, referring to the challenge of surpluses and hunger continuing side by side, urged member countries to encourage and assist multilateral action whenever possible.

PROTECTION OF NORMAL TRADE

"My Delegation recognizes that the draft before you is open to improvement, and I would emphasize that we are deeply interested in the views of other delegations on the issues raised in that resolution. For our part, we would earnestly hope that the FAO, in its study of the feasibility and acceptability of new arrangements for mobilizing and distributing available surplus foodstuffs in areas of greatest need, will find it possible to recommend for this purpose the establishment of a UN food bank, which would be supported by all member countries on an equitable financial basis. As Prime Minister Diefenbaker said on September 26: 'A few countries cannot underwrite the costs of transferring their surpluses to countries in need. What we need is to join together in contributing to a solution of truly world-wide scope to this problem.' Canada would of course expect that any food bank that may be established as a result of the FAO's study would be both realistic and workable. We fully agreed with the distinguished representative of Argentina when, on October 18, he said that any international arrangements established for the disposal of surplus agricultural commodities must avoid damage to legitimate and normal commercial trade. Our own trade has in the past been disrupted by erratic surplus disposal arrangements and we would certainly have no intention of ourselves supporting action which would have this effect. The Delegate of Argentina is correct in saying that the conception of a world food reserve has been studied in FAO and considered at various times in the past. But times are changing, and my Delegation is convinced that a fresh look at this problem, in an atmosphere of goodwill and sympathy for the world's suffering people, could this time produce concrete results.

"...I now propose to comment briefly on the text of the resolution itself and to refer to some of the comments other delegations have been good enough to make both in the

Committee and outside it on this subject. The statement which I have made in the first part of my intervention governs of course everything that I will be saying in this second part.

"In the first place, may I say how much my Delegation appreciates the spirit in which this resolution has been received. We believe that there is now a general appreciation of its purposes.

"There is one specific aspect of the resolution's preamble I would like to emphasize. This is the close relation between shortages of foodstuffs and economic development programmes. I make these comments on the basis of Canada's experience with such problems under the Colombo Plan. On many occasions in the last ten years, governments in South and Southeast Asia have been obliged to curtail and in some instances even stop major projects in their economic development programmes because of a lack of foreign exchange and even of domestic financial resources. One of the main causes for some of these sudden changes of plan has been the unexpected foreign-exchange expenditures that governments in the area have had to make for the purchase of foodstuffs in order to avoid serious famine conditions. Much work has, of course, already been done, under bilateral programmes and under the various multilateral programmes, to alleviate and to assist in preventing recurring crises of these kinds.

"Turning now to the operative paragraphs, I hope there will be unanimous support of the Freedom-from-Hunger Campaign launched by the FAO. Similarly, I assume that an appeal of the kind contained in operative paragraph 2 is one that should receive broad support....

"Paragraph 5 is the first of the two main operative paragraphs of the resolution. The observations which follow represent the Canadian interpretation of the purposes and objectives which these paragraphs are designed to reflect.

ROLE OF FAO

"In the first place, as the distinguished representative of FAO has already told us, any action by the FAO that would involve the expenditure of substantial funds would have to be the subject of detailed decisions by the appropriate organs of the FAO. This Assembly may, as indeed we have already done in this Committee, question the representative of FAO about FAO's procedures and practices but we should, I think, keep in mind that these procedures and practices are not subject to control by this Assembly. However, it seems clear that, without in any way prejudging what the properly-constituted authorities of the FAO may decide, the FAO could take some early action designed to carry out the objectives of this resolution.

"The passage at the end of operative paragraph 5, which, I might say, applies equally to operative paragraph 6 and refers to the FAO

principles for the disposal of surplus agricultural commodities, is of major importance to my Delegation. This section provides the kind of protection the distinguished representative of Argentina has stated must be available at all stages during consideration of this subject. These principles, which have been worked out in co-operation with representatives of all the different interests involved, clearly involve a protection of normal commercial trade in agricultural commodities and also provide that agricultural surpluses should not be disposed of in such a way as to damage agricultural development in the less-developed countries.

CANADIAN POSITION

"Operative paragraph 6 is perhaps more closely related to the Canadian position than any other part of this resolution. My Government, as I have indicated, has views that are clearly on the record which it intends to press vigorously in the FAO. Nevertheless, the language of paragraph 6 clearly provides that the FAO will be requested to study 'the feasibility and acceptability of additional arrangements'. This paragraph clearly does not preclude the submission of other proposals in the FAO by other members.

"Canada has always opposed wasteful duplication of effort in international organizations and members of this Committee can take it for granted that we should not have supported language that would create conflict between the FAO organization and the United Nations organization itself or between their respective secretariats. We should anticipate that the studies coming forward under operative paragraphs 7 and 8 would be fully coordinated, so as to avoid duplication...."

* * * *

COLOMBO PLAN DELEGATION

Prime Minister Diefenbaker has announced that the Canadian delegation to the annual meeting of the Consultative Committee of the Colombo Plan will be headed by the Fisheries Minister, J. Angus MacLean.

This year's conference will be held in Tokyo, Japan, from November 14 to 17, and will be preceded by a meeting of officials beginning on October 31.

The delegation will include representatives from the Departments of External Affairs, Finance, and Trade and Commerce.

The conference, which will be attended by representatives of the 17 participating governments of the Colombo Plan, is held each year in one of the member countries. The purpose of these meetings is to review the economic development in the Colombo Plan countries in South and Southeast Asia, and, on the basis of this review, to define the broad objectives that the Colombo Plan programme should attempt to achieve in coming years.

THE UNITED NATIONS AND THE PUBLIC

Addressing the Third (Social, Humanitarian and Cultural) Committee of the United Nations on October 14, the Canadian representative, Mrs. H.H. Steen, stated that she wished "to join the other co-sponsors" in introducing a draft resolution on "The Teaching of the Purposes and Principles, the Structure and Activities, of the United Nations and its Related Agencies". The Canadian Delegation, she added, had been pleased by the account in the Report of the Economic and Social Council of the progress made in "the teaching of the work of the United Nations and what it stands for...". Mrs. Steen's address continued as follows:

"....I wish to say immediately that the Canadian Delegation shares the Council's belief in the importance of teaching about the United Nations and its related agencies as expressed in Resolution 748, which ECOSOC unanimously adopted at its twenty-ninth session. Each country has, of course, somewhat different constitutional and educational machinery with which to deal, and in Canada, where education is the responsibility of the provincial governments, the Government of Canada promotes the teaching and understanding of the United Nations and its Specialized Agencies through the encouragement of the interested voluntary organizations rather than by direct government action. Each year, therefore, the Canadian Government makes a financial grant to the United Nations Association in Canada to assist it in its task of informing the public of the purposes, principles and work of the United Nations generally. As this organization is the main, indeed the central, one of its kind in Canada, the Canadian Government also maintains liaison with it in its many educational and information activities, often collaborating with it on occasions, such as United Nations Day, and providing certain information materials on Canada's role in the United Nations.

CANADIAN UN ASSOCIATION

"For its part, the United Nations Association in Canada, through its national branch offices, carries out a number of functions:

- (1) It distributes United Nations information publications throughout the country in the absence of a United Nations information centre in Canada;
- (2) It publishes a number of regular pamphlets such as the *Newsletter* and *World Review* designed for the public at large and also for the schools and has put out a Student Handbook called 'The UN in Your High School';
- (3) It carries on a number of miscellaneous activities, such as the organization of student UN Clubs, model UN Assemblies, university and school seminars, speaking tours, and so on;

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WHO SHALL COLLECT THE TAXES?

The following is a summary of Prime Minister Diefenbaker's proposals to the Dominion-Provincial fiscal conference recently held in Ottawa:

"Despite the very high level of Federal payments to the provinces and the nature of the several provincial submissions, we are far from reaching what you would regard as the point of saturation. The federal and provincial governments are aware of the increasing needs for public services and the demands which are made on all levels of government. Under all the circumstances, the Federal Government suggests that the provincial governments consider whether the form of the arrangements which we have been using for some time are in fact the most suitable which can be devised. Taxes, whether federal, provincial, or municipal, must rest ultimately on the tax-paying capacity of Canadians. Both the federal and provincial governments have the constitutional right of access to the fields of taxation which have been shared by means of the tax rental agreements. Is it better to leave to the Federal Government the task of imposing each of these requests for additional money on the taxpayer or would it be better for each provincial government to assume its own responsibility in this regard?

AN ADAGE QUOTED

"It is an old adage of public finance that the government that spends the money ought to collect the money. It is a common observation among men that people tend to spend more wisely the money they earn. The provincial submissions indicate that the provincial governments believe that the Canadian taxpayer can bear heavier tax burdens but with the Federal Government imposing them. The question which I wish to raise is whether the provinces would like to have the opportunity to impose the additional taxes represented by the substance of the proposals advanced by each of the provinces when we last met, and I take them to be serious requests based on serious needs for additional revenue, having in mind the knowledge of the services which the Federal Government must perform, and having in mind also the fact that no agreement yet devised has been satisfactory to all provinces or has been satisfactory enough even to ensure unanimous participation.

"I wish now to place certain suggestions before you:

"First, the Federal Government is prepared to recommend to Parliament that federal tax rates in the three shared tax fields be reduced at the time of the termination of the present tax rental agreements, March 31st, 1962, by the amount of the present standard rates, that is, by 14-9-50 in terms of current tax rates. This will permit the provinces to re-enter these tax fields and to cultivate

them in the way they find necessary to meet their respective revenue requirements.

"Second, it is realized; of course, that handing these rental tax fields back to the provinces will not solve the whole problem of provincial finance. There are many provinces where the revenue yields from these taxes will not be large enough to meet the needs of provincial finance. The problems of such provinces must be recognized, and indeed we have recognized them and continue to recognize them. To meet the needs of the provinces with lower tax potential we would therefore ask Parliament to provide equalization payments or their equivalent in a total amount of \$220 million a year, which is approximately the scale of the payments this year. The amount so provided will take the place of the present equalization payments, the Atlantic Provinces Adjustment Grants, and the special grants to Newfoundland under section 2 of the Newfoundland Additional Grants Act.

EQUALIZATION PAYMENTS

"Being mindful of the necessity of maintaining a reasonable level of public services in areas of low tax potential, we will ask Parliament to provide this sum of money for equalization payments. While we are willing to recommend to Parliament that the present scale of equalization payments be made available to the provinces, we have some reservation about the present formula of distribution and would hope that the total might be distributed in such fashion as to give greater weight to provincial fiscal need. If the provinces can all agree on a better or more equitable formula for distribution of this amount, the Government will recommend it to Parliament, provided that each of the Atlantic provinces gets at least as much from such a provincial formula of distribution as it gets at the present time for the equalization payments, the Atlantic Provinces Adjustment Grant and the Newfoundland Additional Grants Act.

STABILIZATION PAYMENTS

"Third, some provinces in their submissions have placed considerable emphasis on the necessity for stabilization payments during the succeeding period. The logic of stabilization payments under a system whereby the provinces levy their own taxes is considerably less than under the present agreements. However, this Government is prepared to recommend to Parliament that stabilization payments be provided for during the new five-year period if they should be needed in addition to the equalization payments. Stabilization would be based on the yield of the standard taxes in the last two years of the current agreements. In other words, if the yield from

these taxes at the present standard rates applied to any province be less in any year of the period than in the average of the last two years of the existant agreement, the Federal Government would make up the difference.

"Fourth, the Federal Government is prepared to recommend to Parliament, if the provinces agree, that there should be reciprocal application of sales and commodity taxes to federal and provincial Crown agencies, as many provincial governments have requested. We suggest that each of these agencies, whether federal or provincial, should pay these taxes just as private businesses do. Agreement will have to be worked out on which specific Crown agencies at both the federal and provincial level this arrangement would apply to, and what particular taxes will apply.

"Some discussion of conditional grant and shared-cost programmes took place in July, and there has been discussion of these programmes at the official level. I do not intend to recommend any proposal for change in these programmes at the present time except to say that further studies for the purpose of simplifying and, if possible, consolidating some of these programmes might be made.

OTHER TAXES

"As to the question of taxes on mining and logging companies and the sharing of the tax on certain private utility corporations whose main business is the distribution of, or generation for, distribution to the public of electrical energy, gas or steam, the Federal Government would propose to give further study to these questions in consultation.

"Fifth, there is one further proposal which my colleagues and I wish to place before you. In July it was suggested that, if we could not see our way clear to vacate a large part of the field of direct taxes now being utilized by Parliament, we should agree to a constitutional amendment that would permit any provincial legislature to levy an indirect retail sales tax. This is an important change in the principle of the constitutional division of powers and should not be entered upon lightly. We have decided, however, that if all of you agree in wishing to have this power, we could recommend to Parliament approval of a petition to Her Majesty the Queen, requesting the necessary change to be made in the British North America Act. While not proposing any quantitative limit be set upon the rate of tax that might be imposed, we consider it is essential, and in accordance with the spirit of our constitution that the type of tax authorized should not include a tax that discriminates between goods produced outside the province and goods produced within the province. Subject to this fundamental safeguard of the freedom of trade within Canada, and of subsidiary details to be worked out by agreement, we shall be prepared to share this field of indirect taxes with the provinces.

"I should emphasize that this proposed amendment would be confined to sales taxes at the retail level only, and not at earlier stages. Already seven provinces impose such retail taxes in the form of direct taxes, but these involve certain legal and administrative difficulties, and, it is said, certain additional costs which can best be overcome by means of using an indirect tax levied on the final sale of the goods.

"In stipulating unanimous agreement of the provinces to such a constitutional change I do not wish it to be concluded that amendments of this or a similar nature require unanimity in all cases. I say this because the attorneys-general are at present considering proposals to make to us for methods of amending the constitution and I do not wish either to pre-judge or to prejudice their discussions or decisions in this regard.

"The suggestions which I have placed before you will enable the provincial governments to make greater use of both direct and indirect tax fields and would add flexibility and independence to the fiscal system.

"The Federal Government will welcome your comments on these suggestions."

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CANADIAN EXHIBITS ABROAD, 1961

In the face of steadily-mounting competition for world markets, the Department of Trade and Commerce is planning the biggest trade-fair programme in Canada's history.

A new booklet, "Canada Exhibits Abroad in 1961", provides information on 16 international trade fairs for which the Department is now organizing Canadian participation. Not only is this two more trade fairs than in 1960, but the Canadian exhibits generally will be much larger and will cover a wider range of products.

Hundreds of firms in all parts of Canada will use these Canadian showcases abroad to display their wares to buyers in markets as far apart as New York and London, Frankfurt and Chicago; Lima and Paris.

TYPES OF FAIRS

Some of the fairs are devoted to specific commodities, such as building materials, sporting goods or leather products. Others are general, like the Ideal Home Exhibition in London, at which Canada will exhibit a wide range of foods and consumer goods. Incidentally, the Canadian exhibit at this particular show will be twice as big in 1961 as a result of the outstanding success obtained this year, when over 100 Canadian producers offered their merchandise to some 1,350,000 visitors.

The Department's booklet points out that "extensive experience has shown that one of the best ways a Canadian business can expand its export sales or break into a new market is by exhibiting its products and services at trade fairs in the target area".

The expanded trade-fair programme in 1961 is part of the Department's intensifying trade promotion drive, which also includes trade missions, promotional literature and advertising.

Copies of the new booklet are available from the Editorial and Art Services Division, Trade Publicity Branch, Department of Trade and Commerce, Ottawa.

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THE UNITED NATIONS AND THE PUBLIC
(Continued from P. 3)

- (4) It maintains liaison with the Canadian Government in its information activities generally, and collaborates closely with the UNICEF and UNESCO offices in Canada;
- (5) It also works with national and provincial educational offices. This is an important and developing field, and the organization has tried to provide information materials particularly suitable for school use. In so far as its resources permit, it has also established regional offices to develop educational programmes in support of the United Nations in both the official languages.

Document E/3322, the Report on the Teaching of the Purposes and Principles of the United Nations, gives additional information on the work being done in Canada in disseminating knowledge about the United Nations.

"In Canada the work of an organization such as the United Nations Association is very important in promoting an understanding of the United Nations and we, of course, are anxious that such voluntary organizations receive as much support as possible from the information services of the United Nations and the Specialized Agencies within their budgetary limits.

MUCH TO BE DONE

"While the United Nations can look with great satisfaction at what has already been done to encourage the teaching about the United Nations idea in member countries, the report on the subject has drawn our attention to the fact that much still remains to be done, particularly in respect of teacher-training and the supply of teaching materials in various languages and for various age-levels. Resolution 748 (XXIX) of the Economic and Social Council gives evidence of the Council's active concern with meeting these needs and deserves our endorsement.

"In continuing our efforts to promote the principles and purposes of the United Nations, we are honoured to sponsor, with nine other delegations representing a wide range of cultures, a draft resolution commending the Economic and Social Council for the action it has taken in encouraging the development of facilities for teaching about the United Nations and the Specialized Agencies. It is our belief that a re-affirmation at this session of the General Assembly's belief in the value of this work is particularly timely, since the size and composition of United Nations membership has changed so greatly since the Assembly last expressed itself on this subject. My Delegation hopes, therefore, that the Third Committee will endorse the draft resolution which has been put forward by the Delegations of Afghanistan, Brazil, Burma, Canada, Costa Rica, Ghana, Japan, The Netherlands, New Zealand and Sudan..."

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CLOSING DATES FOR SEAWAY

The St. Lawrence Seaway Authority has announced that the St. Lawrence Seaway canals will be kept open, weather and conditions permitting, until November 30 this year, with the Welland Canal remaining open until December 15 and the Sault Ste. Marie Canal until December 12.

Mariners are warned that vessel movements through the canals will not be permitted after the above dates and that it will be their responsibility to schedule their passages to ensure clearing the system well before these dates if they wish to avoid wintering above Montreal.

The Authority explained that operating the Seaway system in conditions of winter cold would incur the risk of serious damage to lock structures, and to lock and bridge mechanism, by ice.

Seaway officials also pointed out that several hundred floating aids to navigation must be removed from channels by buoy-tenders after the close of the system to shipping and before ice conditions make this impossible.

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NOVEMBER PARLIAMENT

Prime Minister Diefenbaker announced on October 26 that the Fourth Session of the Twenty-fourth Parliament of Canada would meet at 3.00 p.m., on Thursday, November 17.