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PAYING THE CONGO BILL

Concerning the problem of paying for the United Nations operation in the Congo, Senator F.M. Blois, the Canadian representative on the Fifth Committee of the United Nations, declared that any organization that was obliged "to rely so heavily on short-term measures to finance its daily regular work, as well as its all-important peace-keeping operations" was "in grave danger of being permanently damaged as an instrument in which the member nations can place their trust and respect." Senator Blois elaborated this view as follows:

"...This Committee cannot approach its consideration of the financing of the Congo operation along narrow and restrictive lines. We must have constantly in mind that what is involved is the ability of the organization to discharge the tasks for which it was created. For Canada, as I am sure for all of us here, the purpose of the United Nations as a means to maintain international peace and security is all important. The United Nations role in economic development, in international co-operation at all levels throughout the widest range of human activities, has become a part of the national life of all members of the United Nations family. Yet the United Nations now finds itself in a position in which all this is threatened by the lack of increasingly more substantial amounts of money. For some states, of course, it may well be conscious policy to injure this instrument which the vast majority of us, the middle and smaller powers, have come to consider such a vital

part of our national fabric. My Delegation firmly believes that the decisions we take here in financing the Congo operation will have far-reaching consequences. It is equally firmly determined that these consequences are in the direction of strengthening and upholding the United Nations rather than in the opposite, and also, unfortunately, possible, direction.

CONDITIONS FOR SURVIVAL

"For the organization to survive and maintain the purposes as set down in Article 1 of the Charter, it must be able to do two things: (1) To answer the challenge of any situation which may threaten peace and security; (2) to maintain its answer to that challenge once it has been set into motion.

"If the United Nations should fail in either of these respects, it is diminished and its end becomes but a matter of time. We have already seen the end of one world organization because of its inability to provide an effective answer in moments of crisis.

MILITARY FUNDS INDIVISIBLE

"In formulating its views on how the Committee might deal with the question before us, my Delegation has been struck by the indivisibility of the position of ONUC finances from those of UNEF and of the regular budget. This interdependence is most strikingly illustrated by the fact that it has been necessary to empty the Working Capital Fund in

(Over)

order to meet the expenses on ONUC. This Fund was set up to provide cash for the small-scale unforeseen expenses of the years before the creation of UNEF and to provide a buffer against the effects of the perennial problem of late payment of assessments for the regular budget. The Secretary-General has also used his powers to borrow from the reserves of the extra-budgetary funds and agencies intimately linked with the economic and social programme of the United Nations.

"It seems to my Delegation, therefore, that to dodge the central issue of the interdependence of all UN activities by setting up special accounts is a process of self-delusion. We have seen, quite clearly, that to regard the outlays of funds for peace-keeping operations as anything but parts of the regular expense of the organization merely hampers the activities paid for under the regular budget and the extension of these activities in the economic and social field financed by voluntary funds....

"My Delegation would hope that, whatever method of apportioning the ONUC costs is agreed upon now, delegations and the governments they represent will reflect on the wider implications which the current financial crisis in the United Nations has raised. It is my hope that this Committee will be prepared to examine these wider implications early in the sixteenth session of the Assembly. The administration and budgetary questions which must be resolved are fundamental to a growing and vital organization and to ignore them could have the most dangerous consequences for the whole United Nations structure.

EXTRAORDINARY EXPENSES

"We believe for example, that one of the questions which might usefully be discussed is that outlined in the Advisory Committee report on the resolution on unforeseen and extraordinary expenses. The approach proposed by the Advisory Committee would ensure that the Assembly was not suddenly presented with large bills after the event. If a proposal along these lines were adopted, it would serve to relieve the many understandable apprehensions about the future financial implications of peace and security costs, particularly on the part of those countries which are struggling to develop economically.

"Other matters which might profitably be examined are a peace-and-security fund and a peace-and-security scale of assessments. All these might be linked in a redefinition, in the light of experience, of the less precise sections of the Charter on the relationship between the decisions of the Security Council and of the Assembly's power to apportion expenses....

"My Delegation would like to examine the more specific measures which could be taken by the Assembly at this time. First of all, it seems to me important that we dismiss as final solutions resource to more widespread borrow-

ing. To begin with, it is an admission of our indifference to the organization to allow it to fall into such predicament. Furthermore, in practical terms: (1) We cannot be at all sure that parliaments, legislatures or banks will agree to make sufficient advances. As a result, this organization will either become bankrupt or its activities will have to be reduced to a fraction of their current level. (2) In the unlikely event that sufficient advances are forthcoming, it is, of course, most undesirable in principle that the UN should have to rely on advances from governments or banks. The Indian Delegation and others pointed out to us last December that it would be beneath the dignity of the United Nations to borrow from commercial sources; and moreover it cannot be denied that advances from any source seriously weaken or make mockery of those provisions of the Charter which state that the expenses of the organization shall be apportioned by the General Assembly and financed collectively by member states.

DEEP ROOTS OF CRISIS

"...I think we should recognize that this current financial crisis has not come upon us suddenly. It has been building up for many years now.

"In the years 1945 to 1956, the United Nations was plagued first by the failure of many member states to pay their assessment early in the year and, secondly, the tendency of many member states to be up to two years in arrears. It was therefore necessary to have substantial recourse to the working capital fund to cover the resulting "shortfalls". With the establishment of UNEF in 1956, the situation grew worse - and this worsening situation was explained to a very great extent by the fact that, although the treasuries and finance departments of member states had become accustomed to paying their assessments to the regular budget promptly, they tended to assign a lower priority to their payments to the UNEF Special Account. We have noted, for example, that there are 40 member states which are in arrears in respect of the UNEF Special Account for 1959, compared to only ten states which are in arrears in respect of the regular budget for 1959.

"My Delegation believes it is important to recall the action which the Assembly took in response to the worsening cash position in the years after 1956. Instead of taking steps to reverse the situation, the Assembly tended to take temporizing actions which served only to postpone the day of reckoning. For example, the Working Capital Fund was increased, and the Secretary-General was authorized to borrow from special accounts in his custody and to receive short-term loans from governments. It was even suggested at the fourteenth session that the Secretary-General be permitted to borrow from commercial sources.

"The organization was already therefore in a most unsatisfactory state of financial

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RECORD ICE SEASON

The winter of 1960-61 may well go down in the annals of the Department of Transport as the "season of the big freeze".

Conditions may not have set an all-time record for severity, but the prolonged cold weather in January, with temperatures in the Gulf of St. Lawrence and along the coasts of the Maritime provinces and Newfoundland dropping far below zero for lengthy periods, created the most difficult ice conditions in those areas in many years.

During the really severe weather, low temperatures and a lack of wind combined to speed up freezing along Gulf and Maritime shipping lanes until shallower areas were solidly frozen and even the deep-water areas were almost entirely covered with grinding, dangerous ice. Throughout the season, however, the icebreaker fleet of the Transport Department worked ceaselessly to keep the main shipping lanes open and to escort vessels to and from major ports along the shores of Quebec, Newfoundland, New Brunswick and Nova Scotia.

ICEBREAKER FLEET

The Department now has a fleet of 10 heavy icebreakers, as well as eight other vessels classified as "light icebreakers", capable of working in limited conditions of ice.

Nine of the heavy icebreakers are deployed in Eastern waters, including the St. Lawrence River and Gulf and around the coasts of the Maritimes and Newfoundland. The tenth, CMS "Camsell", serves as a supply and buoy vessel on the Pacific Coast during most of the year and in summer makes a trip to the Western Arctic, for which she was specially designed.

The ships, in addition to CMS "Camsell", capable of full icebreaking duties are: CMS "John A. Macdonald", a 15,000-horsepower vessel measuring 6,186 gross tons, the newest and largest of the icebreakers, CMS "d'Iberville", CMS "Labrador", CMS "N.B. McLean", CMS "Montcalm", CMS "Wolfe", CMS "Sir Humphrey Gilbert", CMS "Ernest Lapointe" and CMS "Saurel".

CMS "John A. Macdonald" is capable of working the heaviest of Arctic ice. Her tremendously strong hull is plated with steel nearly two inches thick. The vessel is able to travel up to 20,000 miles without having to take on fuel or supplies for her crew, which includes 25 officers, 16 petty officers and 38 crew members.

CMS "d'Iberville" carries a full complement of about 75 officers and men and, in past years, has become famous for her annual supply run to Eureka, the joint Canadian-U.S. weather station on Ellesmere Island 750 miles from the North Pole. The "d'Iberville" went into service in 1953 and CMS "Montcalm" CMS "Wolfe", CMS "Camsell" and CMS "John A. Macdonald" have all been built since that time.

The increase, during the past two or three years, in the number of Transport Department ships capable of icebreaking has enabled the department to keep up with the increased winter traffic in the St. Lawrence and Gulf areas.

ICE INFORMATION

To support the icebreaking operations, the Meteorological Branch provides ice information to shipping, with experts from the Branch being trained for the work. They report on ice conditions from the various ships and carry out regular aerial ice surveys over the river and gulf shipping lanes by means of chartered aircraft. They record their findings on special charts, using a unique "ice language" that has been developed in co-operation with other nations in the past several years. The ice observers employ such words as "ropak", "stamukah" and "frazil", and talk of "polynyas", "bergy bits", "slush", "brash" and "block". It's all a part of the important new terminology that defines various types of ice and conditions relating to them.

An "Ice Central" office has been established at Halifax, from which ice charts, based on the observers' findings, are made available to shipping and the public in general.

This year is the fourth in which the aerial ice surveys have been made by the department over the Gulf region, by ice observers based at Seven Islands, Quebec. An ice-information officer, who is also an experienced deep-sea captain, is stationed at Sydney, Nova Scotia, to assist in advising shipping and to act as liaison between shipping interests and the ice-charting and forecasting headquarters.

The ice-information officer has the sizeable task of co-ordinating the operations of the icebreakers with the day-to-day shipping requirements. He acts as advanced operations officer for the Director of Marine Operations at Ottawa, so that the headquarters staff is fully posted at all times on the location and undertakings of all the icebreakers.

The ice observer, on completing a flight over the Gulf and lower St. Lawrence, prepares a chart of the ice he has seen and sends it by "Weather-fax" facsimile system to the Ice Central at Halifax. Additional copies are also made and forwarded to a regular list of subscribers, such as shipping companies and port officials.

CREATION OF NEW CHARTS

In Halifax, the ice experts consolidate the information submitted by the observer with that obtained from observers on the icebreakers, from other ships and from other sources, such as lighthouse keepers. They then prepare new charts giving copious data for the entire area, which are broadcast by radio facsimile to shipping and all other interested parties. They also prepare ice forecasts, which are transmitted both by facsimile and by mail to persons requiring them.

It is expected that, during a period of years, accumulated ice information will make it possible for increased service to be rendered in this sphere by the department. As experience and knowledge are increased, so will the ability of the observers and forecasters to provide accurate information. With the developments of previous winters to look back upon, they will be able to forecast the probable ice developments under any given weather conditions, and enable shipping to plan its routes and activities accordingly.

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BRIDGE FOR BURMA

The Secretary of State for External Affairs, Mr. Howard Green, announced recently that the Government of Canada and the Government of the Union of Burma had reached agreement concerning the allocation of a total of \$1,250,000 under Canada's Colombo Plan programme in Burma.

Under this agreement Canada will allocate \$900,000 to the construction of a bridge linking Rangoon with the satellite town of Thaketa, where new industries and housing are being built. This amount will be used to obtain materials and equipment in Canada, to engage the services of a Canadian engineering firm and to provide Canadian personnel to assist in the construction of the project. To cover the local costs of the project, the two governments have agreed to the allocation of counterpart funds in an amount equivalent to \$950,000. These counterpart funds arose from the sale of wheat provided by Canada to Burma under the Colombo Plan. They were set aside by Burma on the understanding that they would be used for agreed economic development purposes.

The remaining \$350,000 of the \$1,250,000 total allocation to Burma is being used for the provision of Canadian wheat and shipment has now commenced.

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SECURITIES TRADE

The trade in outstanding securities in January led to a sales balance of \$22,300,000, made up of \$18,800,000 from net sales of outstanding Canadian securities and \$3,500,000 from net sales of outstanding foreign securities. This balance is to be compared with an inflow of \$4,400,000 in December; it was the largest inflow from this category of transactions since August 1959. There were net sales of \$9,900,000 to the United States, \$6,400,000 to the United Kingdom, and \$6 million to other overseas countries.

Net sales of Government of Canada direct and guaranteed issues worth \$11,600,000 were a substantial factor in the sales balance, but other outstanding Canadian bonds and debentures were repurchased by Canadians in a net amount of \$1 million. While all areas mentioned were buyers of government issues, over-

seas countries other than the United States and the United Kingdom accounted for the largest part of these sales. Net sales of outstanding Canadian stocks in an amount of \$8,200,000 were also divided among the areas, with the larger part of the inflow, however, coming from the United States.

In addition, there were sales to non-residents in January of some \$45-million-worth of Canadian treasury bills. As maturities and repurchases totalled roughly the same, non-resident holdings of about \$120 million changed little. There was also a significant volume of sales to non-residents of commercial paper.

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CANADA-U.S. TV AGREEMENT

Planning the allocation of TV channels on both sides of the Canada-U.S. border will be made easier by a working arrangement just concluded with the U.S. Federal Communications Commission.

The allocation and use of TV channels within 250 miles of the international boundary are governed by the Canadian-U.S. Television Agreement of 1952.

That agreement is still in full force, but the new arrangement gives the Canadian Department of Transport and the FCC a common set of standards by which to determine if a proposed channel allocation is likely to be acceptable to both governments under the 1952 agreement.

Based essentially on the new working arrangement, the Department of Transport has also issued new rules governing the allocation of channels in Canada. Effective April 1, they are designed better to meet public needs for expanded TV coverage.

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NORTHERN PROSPECTING PERMITS

Twenty-seven prospecting permits for mineral exploration in the Northwest Territories have been issued under the new Canada Mining Regulations. In accordance with the new rules, applicants have made deposits totalling approximately \$400,000 as guarantees for exploration expenditures during 1961.

Mr. Dinsdale, the Minister of Northern Affairs and National Resources, states that permits are intended to encourage exploration in remote areas, using modern exploration techniques. Each permit carries exclusive exploratory rights for 3 years to an area of approximately 170,000 acres. The permit holder must make expenditures at the rate of 10 cents an acre for the first year, 20 cents an acre for the second, and 40 cents an acre for the third year. One quarter of the area must be dropped at the end of the first year and a second quarter by the end of the second year.

The Minister went on to say that the interests of individual prospectors are protected, since permits are granted only for remote areas that are not actively prospected at the present time.

YUGOSLAV FOREIGN MINISTER

The Secretary of State for Foreign Affairs of the Federal People's Republic of Yugoslavia, His Excellency Koca Popovic, recently completed a two-day official visit to Ottawa, where he had been the guest of the Government of Canada. During the visit, conversations had been held between Mr. Popovic and the Secretary of State for External Affairs, Mr. Howard Green, on international problems of mutual interest. They had agreed that special attention should be directed to disarmament as one of the major issues now facing the world, and had discussed a number of other important questions confronting the United Nations.

The exchanges of views between the two foreign ministers were conducted in a friendly and informal atmosphere. There has been a steady growth in recent years in consultation between Canadian and Yugoslav officials, particularly in connection with United Nations affairs, and these discussions at foreign minister level are a natural development from this improvement in relations. Both ministers expressed the hope that this visit would lead to further useful co-operation between their countries on international questions of mutual concern.

Apart from the periods specifically set aside for official discussions, various social engagements were arranged for Mr. Popovic, including an official dinner given by the Government of Canada on March 27, at which Mr. Howard Green was host, a luncheon on March 28 given by the Speaker of the Senate, Mr. Mark Drouin, who visited Yugoslavia last summer, a dinner tendered by the Yugoslav Foreign Minister on March 28 in Mr. Green's honour, and the Yugoslav Ambassador's reception the same evening. During the visit Mr. Popovic was also conducted round the capital and given a guided tour of the laboratories of the National Research Council.

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PETROLEUM AND GAS PRODUCTION

Production of crude petroleum in the year 1960 rose 3.8 per cent to 191,841,815 barrels from 184,778,497 in the preceding year; output in December was down to 16,422,366 barrels from 17,112,612 in the corresponding 1959 month. The year's output was larger than in 1959 in all producing areas except New Brunswick, Manitoba and British Columbia. The 1960 totals were: New Brunswick, 14,146 barrels (14,479 in 1959); Ontario, 1,004,710 (1,001,580); Manitoba, 4,764,045 (5,056,075); Saskatchewan, 51,867,633 (47,442,498); Alberta, 132,872,071 (129,967,312); British Columbia, 863,965 (866,234); and the Northwest Territories, 455,245 (430,319).

The output of natural gas in 1960 climbed 24.6 per cent to 520,020,389 MCF from 417,334,527 MCF in 1959; December output was up to

60,322,439 MCF from 46,801,144 MCF a year earlier. The year's production was larger than a twelvemonth earlier in all regions except New Brunswick, Saskatchewan and the Northwest Territories. The 1960 totals were; New Brunswick, 98,701 MCF (117,502 MCF in 1959); Ontario, 17,122,333 (16,839,236); Saskatchewan, 33,485,100 (33,612,966); Alberta, 383,682,304 (297,568,926); British Columbia, 85,592,166 (69,128,708); and the Northwest Territories, 39,785 (67,189).

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SALUTE TO NATO

Prime Minister Diefenbaker issued the following statement on NATO Day, April 4:

"Today marks the twelfth anniversary of the signing of the North Atlantic Treaty. Once again we can recall with some pride that Canada was a founder member of the alliance and continues to participate fully with other members in developing it as a major instrument of co-operation in important military and non-military fields in the interests of world peace and security.

"As was mentioned last year on this occasion, we must expect NATO to develop and adjust to the problems with which we wish it to deal. It cannot, therefore, be static nor can the essence and value of its work be defined without a full appreciation of the complexity of the threat - political, economic and psychological, as well as military - which continues to develop for the free world. Suffice then to emphasize again that NATO's progress in these fields continues slowly but surely to develop a sense of co-operation and interdependence among governments and peoples of the member states.

"It seems to me natural and essential that this sense of co-operation and interdependence should be encouraged to develop. We should bear in mind constantly that our efforts through NATO to defend and to explain what we believe in are entirely consistent with our efforts to share with the other member countries of the United Nations in the preservation of world peace on the basis of the principles enshrined in the charter of the United Nations."

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WHEAT FOR VIETNAM

Agreement has been reached with the Government of South Vietnam for the provision of \$100,000-worth of Canadian wheat flour under Canada's Colombo Plan programme. The Government of Vietnam has undertaken to set aside funds in Vietnamese currency in an amount equivalent to the grant, to be used in Vietnam for economic development purposes to be agreed between the two governments.

The present grant raises to \$400,000 the total of Canadian foodstuffs which has been available to South Vietnam under Canada's Colombo Plan programme.

PAYING THE CONGO BILL

(Continued from P. 2)

health in July 1960, when the Congo operation was launched. The immediate cash outlook is particularly bleak because the assessment notices for the 1960 costs of the Congo operation unavoidably did not reach member states until 1961, and because the Assembly established an *ad hoc* account for the Congo, to which, judging from the UNEF precedent, member states may again not pay their assessments as rapidly as they do the regular budget.

"My Delegation believes that the time has now come to decrease the dangerous reliance which the Secretary-General must place on *ad hoc* procedures such as borrowing from special accounts, from governments, or from commercial sources. To this end we would suggest that the following steps be considered: (1) Member states who are in arrears in respect of the regular budget and the UNEF Special Account should be urged once again to meet these arrears. If they cannot do so immediately, they might consider making monthly payments (as was suggested in this Committee last fall), or they might make partial payments. The fewer the countries which are in arrears, the more likely it will be that legislatures and parliaments will agree to any short-term advances which may later still prove necessary. (2) The Secretary-General should be instructed to send out the assessment notices for the 1961 costs of the Congo operation as soon as the Assembly passes the required financing resolution. (3) Member states should again be urged to pay all their current assessments as early in the year as possible. The current assessments are the costs of the Congo operation in 1960 and 1961, the 1961 regular budget and the 1961 UNEF costs. (4) The Secretary-General might be asked to discuss with member states, using the various means at his disposal, the importance of bringing about reductions in the number of states which are in arrears, and the need to make immediate payment of current assessments. (5) Some kind of negotiating machinery, perhaps similar to the Negotiating Committee for Extra Budgetary Funds, might be established to work towards an improvement in the organization's cash position....

"In conclusion, therefore..., my Delegation would express the hope that we will cease from devising yet more temporary and stop-gap procedures for dealing with the peace-keeping

expenses of the United Nations. We would hope that the groundwork could be laid for a full discussion at the sixteenth session of the questions I have suggested and that, in the meantime, member states would make every effort to meet the obligations of this and past years so that in September we do not need to be faced with a renewed financial crisis but an atmosphere of calm, so that we can take the sort of sound and long-range decisions that the present situation in the United Nations requires."

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TORONTO COMMERCIAL THEATRE

With a \$243,000 advance on "The Sound of Music", finale of the famous musical team Rodgers and Hammerstein, playing Toronto's O'Keefe Centre from April 4 to 22, the management announces from New York that another Rodgers and Hammerstein musical, "Flower Drum Song", has been booked into the Centre from June 5 to 17.

The touring company of the two-year Broadway show will follow the Metropolitan Opera as the final offering of the O'Keefe Centre's first season, which opened October 1 with the Lerner and Loewe premiere of "Camelot" and offered 36 weeks of solid bookings with 23 different attractions.

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AMBASSADOR TO URUGUAY

The Secretary of State for External Affairs, Mr. Howard Green, has announced the appointment of Mr. Richard P. Bower as Ambassador of Canada to Uruguay. Mr. Bower, who is at present Canadian Ambassador to Argentina, will be concurrently accredited to the governments of both countries and will reside in Buenos Aires.

Mr. Bower was born in Kansas City, U.S.A. in 1905 and is a graduate of the University of Manitoba. He joined the Foreign Trade Service in the Department of Trade and Commerce in 1930, and has served abroad at the following posts: Rotterdam, 1931-33; Djakarta, 1933-36; Auckland, 1936-39; Sydney, 1939-42; St. John's, Newfoundland, 1942-45; and London, 1946-55. Mr. Bower transferred to the Department of External Affairs in January 1956. He was Ambassador to Venezuela from April 1956 until October 1958 when he was appointed Ambassador to Argentina.