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THE UNITED NATIONS – SURVIVAL AND CHALLENGE

The following is part of a recent speech by Mr. Paul Martin, Secretary of State for External Affairs, to the University Model United Nations, in Montreal:

...It has, of course, been the desire of the Canadian Government that the United Nations would be able to act effectively to end the conflict in Vietnam. At the opening of the General Assembly session last September, I pointed out that: "Speaking for Canadians, I can say that it is a matter of deep concern that the United Nations has been prevented from effective action in Vietnam....It is the duty of this Assembly to express, clearly and forcefully, the collective conviction of the United Nations that the war in Vietnam must be brought to a negotiated settlement". In Parliament last week I stated that I wished that "there was a role for the United Nations, and I wished there was a greater opportunity for the Secretary-General to play even a more productive role in the matter than he has been able to play in spite of his heroic efforts".

We have welcomed the United States action, in bringing the matter before the Security Council, although we realize fully the major obstacles which, at present, prevent that agency from acting effectively. I hope that the attention which has been focused on United Nations involvement in this crisis will lead to renewed efforts to find a basis for the negotiation which is the only practicable means of settling this tragic war. I think that we are all increasingly aware of the validity of the observation made by U Thant in his annual report last summer, that: "Both the Vietnam situation and the disarmament impasse point once again to the imperative need for the

United Nations to achieve universality of membership as soon as possible...."

TWENTY YEARS AFTER

Twenty years is a very brief span in the development of a great political institution. Our national parliaments have taken centuries to establish principles and rules for the orderly and democratic conduct of the nation's business. It is curious that, on the international plane, and in an organization now composed of 117 independent countries, we have a tendency to demand instant perfection.

"We find it hard", as the Secretary-General of the United Nations said at the commemorative meeting in San Francisco last year, "to accept the time-lag between the formulation of an idea and its practical realization, and we are, sometimes, inclined to question the validity of an idea – or even to reject it impatiently before it has had the chance to take root and grow."

I, for one, would agree with U Thant that it was never realistic to suppose that sovereign governments, in a relatively short period of time, would be able to live up to all the ideals and aims of the United Nations Charter. It seems obvious that, if we want a better system for peace and security, then years of long and hard work will be required to remove the many obstacles in the way....

It is often forgotten that, only a few years after the United Nations was founded, the effect of the "cold war" and the East-West deadlock almost made it impossible for the organization to work as a force for peace. And yet, what has in fact happened in the last 15 years or so? We have, through a process of

trial and error found ways to keep fighting from breaking out in several parts of the world. Also, the United Nations, by serving as a place for discussion and an agency for the peaceful settlement of disputes, has itself helped a good deal to improve relations between East and West.

The lesson to be drawn from this is that it will take many years to make the United Nations into a really effective world organization. We shall have to find new ways of getting along with other countries. Every country will have to give up something of its own interests, in the interest of a better world.

Two of the most important challenges facing the United Nations are peace keeping and the problem of under-development. The overwhelming majority of United Nations member states are under-developed countries. So long as this condition persists, there cannot be any expectation of lasting peace and stability. We must help these countries to develop their economies. In so doing, we are making it easier for the United Nations to achieve peace in the world.

PEACE KEEPING AND FINANCING

Of course, peace keeping has been a special preoccupation of Canada's since the United Nations was founded.

All nations agree that the United Nations should improve its ability to keep the peace. The basic purpose of the organization is, after all, the maintenance of peace and security. In this field the effectiveness of the United Nations depends on the means it has available for action. Unfortunately, to date, peace-keeping operations have been organized without much advance planning. It has been impossible to reach agreement as to the ways in which these operations should, in general, be authorized, controlled and financed.

The Charter must, of course, be our starting point. However, part of the trouble is that the United Nations has been called upon to deal with situations that were not clearly set forth in the Charter. Also, the idea of collective security in the Charter has undergone significant changes. The changes have been gradual; each has been made for a good reason at the time. We can see how this has happened. The enforcement provisions of Chapter VII of the Charter have, in practice, been abandoned in favour of recommendations. The General Assembly, and not just the Security Council, can start peace-keeping action in certain circumstances. The smaller and middle powers have been asked to help by using their armed forces....

We in Canada regret that, in recent years, fewer states have accepted the principle of collective financial responsibility for the costs of peace-keeping operations. Nevertheless, in the dispute over this issue in the last couple of years, there was really no reasonable alternative for the United Nations but to come to terms with the strongly-held views of the Soviet Union and France. Moreover, I would hope that in the future, for basically the same reasons, differences of opinion that may develop over issues of principle will not be pushed to the point where any important member or group of members might feel impelled to leave the Organization.

CANADIAN APPROACH

First, we believe that the maximum possible sharing of the cost, preferably by collective assessment, is the fairest method of financing peace keeping. It should be the first method to be considered. Where it is decided to split up the costs of an operation among all members, this should be done according to a special scale which, among other things, takes account of the ability to pay, of the developing countries.

Second, the functions and powers of the Security Council and of the General Assembly should be regarded as complementary. Either one can have a role to play. If the Security Council is unable to act because of disagreement amongst the great powers, then the General Assembly must be allowed to consider the matter and to recommend to governments what they should do if they so desire. It can be expected that the Assembly, before reaching any decision, will take into account views expressed in the Security Council.

Third, the United Nations must have the technical and military ability to act when required. This accounts for the Canadian interest in advance planning and the provision of stand-by forces for United Nations service.

There are many more things that must be looked into. For example, in the future the United Nations will have to pay much more attention to developing its ability as a conciliator in seeking solutions to the underlying political disputes which have led to conflict. In the past, United Nations intervention has too often tended to freeze a situation.

In the introduction to his last annual report on the work of the organization, U Thant pointed out that United Nations peace-keeping operations "have often seemed to possess the limitations of their own success, namely, that they have helped over long periods to contain and isolate explosive situations without really affecting the basic causes of conflict". He went on to suggest that the very fact that operations such as the United Nations Emergency Force in the Middle East (UNEF) have become an accepted and semi-permanent part of the way of life in these areas, has created problems. It has tended to reduce the sense of urgency which might otherwise stimulate the parties concerned to search for a basic solution of their differences. This is no reflection on the conduct of these operations but, as the Secretary-General says, it is, nonetheless, a dilemma which all countries ought to study carefully in relation to both existing and future peace-keeping operations.

CHALLENGE OF UNDER-DEVELOPMENT

...The problem is so great that it is not easy to understand. The statistics reveal the shocking reality. Two-thirds of the world's population live in under-developed countries which together command only one-sixth of the world's income. In this "Model General Assembly", then, the overwhelming majority of student delegates will be representing countries with a per capita income of less than \$250, compared to the United States' per capita income of about \$3,000. There is a vast gap between the majority of states which are poor or very poor, and a small group of industrially-developed, high-income countries....

CANADA'S TRADE RELATIONS WITH FRANCE

During his recent visit to France, the Minister of Trade and Commerce, Mr. Robert H. Winters, addressed the *Chambre de Commerce France-Canada* in Paris. The following is part of his speech:

...The prospects for the Canadian economy in 1966 are excellent. Indications show a further rise in capital spending by the business sector. Domestic demand is further reinforced by steadily rising incomes and continuing strong advance in consumer expenditure, especially in durable goods.

In spite of the healthy growth of our economy, it is difficult to avoid, in present conditions of rapid expansion, an imbalance in our payments position. We anticipate for 1965 a deficit of the order of \$1 billion, and we may go beyond this level in 1966. To help meet our mounting foreign-exchange requirements and sustain the momentum of our economic advance, we shall require capital inflows and foreign investments. We welcome French capital in Canada. Your investments are already contributing significantly to our economic growth. In the automotive sector (Peugeot and Renault), in oil prospecting and mining (Cie, Française des Petroles), in chemical fertilizers (Hyperphosphates Reno, Paris; Mines Domaniales de Potasses d'Alsace, Paris), heavy electrical equipment (Neyrpic of Grenoble), cement plants (Lafarge), pharmaceuticals (Poulenc). This is just to give you a cross-section. In portfolio investments, there are also important holdings by French banking interests in Canadian concerns.

INCREASE IN INTERNATIONAL DEBT

The substantial growth in the investment of foreign capital during the past decade has been largely responsible for a fourfold increase in our international indebtedness, from 1951 to \$20 billion in 1964 — that is about \$1,000 a head in Canada. This shows the measure and role of foreign investment in our economic development and future. We need to borrow to expand, but as we grow and mature we expect to rely less on foreign resources. With the rise in standard of living and prosperity, Canadians will be investing more and more of their savings into Canada.

To reduce our current payments gap, we shall also be seeking to make the most of export opportunities in foreign markets. In view of the sustained advance in the United States economy and the prospect of growth in major markets, our export trade has every promise of maintaining and exceeding present levels. Our present contracts also envisage a large movement in wheat sales.

It is equally important for our increased production to be matched by efficiency to enable us to compete effectively in world markets on the basis of quality and price. As a country whose exports of goods and services account for over one-fifth of its gross national product, we must keep abreast of developments in world trade. We must also deploy and attune our trade promotion efforts to changing needs and markets. Yesterday, I met with our senior trade commissioners in Europe for a first-hand review of market conditions and prospects.

We also attach great importance to the present "Kennedy round" of tariff and trade negotiations. Improved access to world markets is central to our economic viability. We, and the other trading nations, have a major responsibility to try and make these negotiations a success. We all have a great deal at stake; our future prosperity and economic well-being may well depend upon the outcome. I hope, therefore, that the next few months will see the negotiations substantially advanced in all sectors, industrial and agricultural as well as in the areas of interest to less-developed countries. I shall be meeting with our delegation in Geneva in a few days, to acquaint myself at first hand with the present state of negotiations and to examine possibilities for the lowering of trade barriers.

FRANCE-CANADA TRADE DISAPPOINTING

In presenting to you this picture of our dynamic growth, there is one element that I find surprising and disappointing. That is the level of trade between our two countries. It's almost incredible, but true, that while you are the fourth leading nation and we are the sixth, our bilateral trade accounts for only one per cent of our world trade. While you remain our customers for our primary industrial materials, wheat and flaxseed, I am encouraged by the fact that our exports of manufactured goods have doubled since 1962, and now account for one-fifth of France's purchases from us.

There is a very broad range of manufactured products which we can provide you to meet the increasing demands of your dynamic economy. No one who has followed the trends of the French economy since 1958-59 can fail to be impressed by its *élan vital* and your achievements.

With the rise in incomes, increased productivity and higher levels of domestic demand, full employment has been virtually achieved. This is a tribute to performance under your Fourth Economic Plan and stabilization policy since 1963. Prospects under your Fifth Plan appear bright. On the trade side, your current-accounts balance envisages an overall payments surplus of the order of \$1 billion in 1965. Your imports have more than doubled since 1953. Your exports receipts have also increased by about 50 per cent over the last three years. This is an impressive trade record. It is all the more reason to suggest, therefore, that with such trade expansion there is room for growth in the proportion of our bilateral trade.

CANADA AND EEC

Your thriving economy requires materials, machinery and equipment. We can provide these competitively. We appreciate that the growth of your trade has largely been with the other members of the European Economic Community, which accounts for about 40 per cent of your import trade. I might add the EEC as a whole accounts for 14 per cent of our exports and 17 per cent of our imports. We should like to hope that, as the Community develops into one of the

world's largest single markets, it will become increasingly outward-looking, and will continue as one of the world's largest import units.

One thing is clear: Canada and France have seen ten years of exceptional progress — economic, social and technological. Opportunities for greater trade and closer relations are growing in proportion. With the future economic goals which we both hope to realize, we must exploit those opportunities to the full.

To assist in our gigantic national undertaking, Canada welcomes technology, capital and skilled labour from abroad. France has already contributed to some of these needs, but it can do much more. We would welcome a larger French role, not just for reasons of sentiment, of which there are many, but for reasons of mutual benefit which are becoming increasingly evident as we learn more about each other.

STRENGTHENING TIES

I need not remind you that, at the meeting between President De Gaulle and Prime Minister Pearson in Paris in January 1964, they stressed the importance of strengthening the ties between our two countries through trade and investments. Already contacts are growing, but much remains to be done. My own Department's efforts have led to increasing Canadian participation in specialized commercial exhibitions in France, and more frequent trade missions to France....

There has been a welcome exchange of visits of ministers between our two countries. Mr. Malraux came to Canada in 1963. Mr. Hays, then Minister of Agriculture, visited his French colleague, Mr. Pisani, and Mr. Sharp met with the French Ministers of Finance and Agriculture in December 1964. For my part, I have greatly welcomed the opportunity of meeting Mr. Debré, Mr. De Chambrun, and Mr. de Peyrefitte in the course of my all too brief stay in Paris. These ministerial exchanges reflect the importance both our countries attach to close contacts between us on matters of common interest. Following the discussions between Mr. Martin, our Secretary of State for External Affairs, and Mr. Couve de Murville in 1965, the France-Canada Joint Economic Committee met in Ottawa last November. This Committee can provide a framework for continuing the useful exchanges on trade and economic matters between senior officials of our two countries.

NEW ECONOMIC MISSION

We are now in the process of arranging for a top-level economic mission to France this spring, led by a cabinet minister. My expectation is that this mission will bring forward specific suggestions to further our growing economic and trade relationships. We see this mission as the forerunner of subsequent initiatives. There is great scope for collaboration between private interests — particularly in investment and technological change. This mission will make a great contribution.

I know it has the warm support of the Chambre de Commerce....

SHARED RESPONSIBILITY

Apart from the development of our bilateral economic, commercial, political and cultural relations, I am impressed by the scope for closer co-operation and more frequent exchanges of view in the international trade and economic field. Both our countries are engaged at present in the current GATT round of trade and tariff negotiations in Geneva. As major trading nations, we share a responsibility to see that these negotiations yield the benefits that can be made available through the reduction of unnecessary barriers impeding the flow of world trade. It will require intense effort in the months ahead to deal with the many difficulties that must be overcome if these negotiations are to yield their potential. We have a common interest in their success....

France and Canada also share a common interest in the development of trade with centrally-planned economies. We are both interested in selling wheat to the U.S.S.R. and Mainland China. We are expanding our trade with our Eastern European trading partners. In the main, we in Canada have recently developed these markets on the basis of bilateral trade arrangements in which most-favoured-nation treatment was being exchanged for purchase commitments, particularly for wheat. We would be glad to exchange views and experience on these questions, and others, in our individual and joint search for acceptable international solutions....

NEED FOR SKILLED FISHERMEN

According to Mr. Brian Meagher, Deputy Minister of the Nova Scotia Department of Fisheries, the future of the fishing industry of Canada's Atlantic coast will be jeopardized unless there are 10,000 highly skilled and trained fishermen by 1975.

Mr. Meagher was speaking at the opening session of the Canadian Atlantic Offshore Fishing Vessel Conference held recently in Montreal. He said that the industry would progress "not as fast as we build modern boats and modern fishing plants but just as fast as we are able to provide highly skilled skippers, mates, engineers and fishermen". If the same progressive approach to the development of manpower policies as was developing in the design and construction of fishing vessels could be assured, he said, it would be possible to predict a bright future for the fishing industry over the next several decades.

LARGE FLEET PREDICTED

Mr. Meagher said he expected that by 1975 Canada would have the most modern deep-sea fishing vessels in the world. "In Nova Scotia," he said, "we look forward to a fleet of 200 large deep-sea fishing vessels of various types, but mainly capable of carrying out diversified fishing operations."

The diversification of fisheries has tended to give a greater yield per ton of fishing. Mr. Meagher said that it was felt that, with the abandonment of the dory and the adoption of herring-seiners during the past two years, fisheries were more than holding

their own as far as the per-ton catch was concerned. The offshore fleet, if it continued at its present rate of building expansion, should reach more than satisfactory inventory levels in Nova Scotia.

Mr. Meagher said that over the next ten years it was likely that there would be no change in the figures for swordfish, scallops and whalemeat, but he said groundfish landings in his province should be about 560 million pounds, and herring reaching a figure of one billion pounds.

NUMBER OF HAWKS DECLINING

A significant decline in three species of hawk — the peregrine falcon, the bald eagle and the osprey — has been observed in Eastern North America during the past ten years, according to Allan Wainio, a biologist with the Ontario Department of Lands and Forest. The marsh hawk also is reported to be declining in numbers.

Insecticides have commonly been blamed for the decline, Mr. Wainio pointed out; the evidence was admittedly circumstantial, he said, but a drastic decrease in the population of these species had occurred at the same time a great increase in the use of insecticides had taken place, and in the same areas. It had been found that, for several species of game birds, one-fifth of the lethal dose of DDT caused a serious drop in fertility.

CAUSES OF DECLINE

There appear, in Mr. Wainio's view, to be two reasons why the decrease in hawks should be more noticeable than in other birds. First, birds of prey have one of the slowest rates of reproduction among birds; secondly, those that eat carrion killed by pesticides, or live prey that has been fed on food sprayed with DDT, accumulate a serious dose of poison. Recently, he pointed out, a British conference dealing with this problem concluded that insecticides had killed off more hawks than a century of game-keepers and egg collectors.

This situation, according to Mr. Wainio, did not mean that the use of insecticides should be abandoned but that they should be used more cautiously, especially when starting to "fog" or "blanket" areas with DDT.

ESKIMO TRAPPERS LEARN TO GRADE FUR

Fifteen Eskimo trappers from Eastern Arctic settlements flew into Churchill, Manitoba, recently to attend a three-week course sponsored by the Department of Northern Affairs and National Resources in fur grading and co-operative development. "Fur is still an important source of income for many Eskimo families," said Northern Affairs Minister Arthur Laing. "A knowledge of grading and handling will bring added revenue to Eskimo co-operatives and to the trappers themselves."

In remote settlements, a member of the local Eskimo co-operative buys furs direct from the trappers. Too often he simply pays a flat rate of \$8 for pelts

that may sell at fur auctions in the South for from \$2 to \$20. A basic understanding of fur-grading will guarantee fairer prices to the trappers and to the co-operatives from sale in Southern Canada.

Eskimos taking the course were chosen by their local co-operatives. They come from as far away as Grise Fjord, 4,000 air miles north of Montreal. Three speak English; others will receive instruction through two Eskimo interpreters. The talks on co-operative operation and a book on the subject of fur have been translated into Eskimo syllabics.

The average annual value of furs produced in the Canadian Arctic is \$600,000, a figure that could increase with improved methods in handling and trapping. Furs of high quality can be damaged beyond repair by grease and stain; trappers will be warned not to set traps until the white fox pelt is fully prime with a dense white under-fur and a complete covering of guardhair, as furs that are not prime have little value. Three hundred and fifty white-fox pelts and a number of seal skins will be used in the fur-grading courses.

Twenty Eskimo co-operatives are now active in Arctic communities, eight of which barter furs for merchandise. The remainder buy furs for handicrafts, as well as for re-sale at the fur auctions in the South.

A similar course in fur-grading and co-operative operation was sponsored in Yellowknife last year by the Department of Northern Affairs and National Resources.

U.S. GUIDELINES DISCUSSED

Mr. Robert H. Winters, Minister of Trade and Commerce, met recently with the heads of a number of Canadian firms that are subsidiaries of United States companies, to discuss to what extent the application of the United States balance-of-payments guidelines by the parent companies might affect the business decisions of the Canadian firms, particularly regarding purchasing policy, exports and imports.

The discussion revealed no evidence that, to date, the application of the guidelines by U.S. parents of Canadian companies had impinged on the normal patterns of procurement and trade of the Canadian companies. The Minister made it clear that, as a matter of good business practice and good Canadian corporate behaviour, he expected that, Canadian companies, owned or controlled by foreign companies or not, would look to Canadian sources of supply whenever it was economic to do so and when their needs could be met here on a fully competitive basis in price and quality and sound purchasing policy.

The Minister reminded the meeting of Canada's large current-account deficit with the United States, and stressed the importance of maximum export performance by all Canadian companies.

Arrangements are being made to keep the possible effect of the guidelines on Canadian companies under continuing review to guard against any improper influence on the export opportunities or procurement practices of companies incorporated in Canada.

Mr. Winters indicated that, if the need arose, he intended to consult with other Canadian companies that might be affected by the United States guidelines.

THE UNITED NATIONS - SURVIVAL AND CHALLENGE

(Continued from P. 2)

There are other and related problems: population growth, the initial cost of becoming an industrial society, which is much higher than it was at the start of this century, and the high cost of debt service which means that a poor country must spend much of its foreign exchange on debt repayment rather than investing in new productive development.

HOPEFUL ASPECTS

...The rich nations have accepted a measure of responsibility to assist the developments of the poor. In the industrialized countries, people are learning how to carry out aid programmes more efficiently. For example, in Canada we have re-organized our aid effort to bring greater knowledge and experience to bear on development problems. The Canadian aid effort has doubled in volume since 1963 and during the current year some \$250 million will have been made available in Canadian aid.

Countries such as Canada are finding new and better ways to act in groups or to act individually in giving aid to under-developed countries. Consultative groups have been organized to co-ordinate the

flow of aid and technical assistance to particular countries. These groups, in which Canada is participating, have proved their value in India and Pakistan.

The United Nations, which we used to think of as a place where economic and social problems could only be discussed, has increasingly become a place where action is taken leading to change in the economic field. This development has been reflected in the establishment of a number of major assistance programmes. Different types of technical assistance have been combined under the new United Nations Development Programme, the World Food Programme has been established on a firm basis, and UNICEF is continuing its outstanding work to provide health, nutrition and welfare services for children in the under-developed nations. Again, there is a new attempt to link the ideas about more liberal trade policies with the ideas about international aid. This has led to the United Nations Conference on Trade and Development and a host of related bodies....

More aid must be made available to the under-developed countries and on better terms. To assist in meeting this need, Canada recently introduced a new development loan programme of \$50 million annually on terms as liberal as those offered by any country granting aid or by international lending agency.

More aid, in the form of preliminary studies of the possibilities for economic development, will have to be made available through the United Nations. At a minimum, it is estimated that the present target of \$200 million annually for the United Nations Development Programme will have to be doubled over the next five years....